

THE DEPARTMENT OF EDUCATION INSPECTOR GENERAL'S REVIEW OF STANDARDS FOR PROGRAM LENGTH IN HIGHER EDUCATION

HEARING

BEFORE THE

COMMITTEE ON EDUCATION AND LABOR

U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

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**THE DEPARTMENT OF EDUCATION
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IN HIGHER EDUCATION**

**Thursday, June 17, 2010
U.S. House of Representatives
Committee on Education and Labor
Washington, DC**

The committee met, pursuant to call, at 10:07 a.m., in room 2175, Rayburn House Office Building, Hon. George Miller [chairman of the committee] presiding.

Present: Representatives Miller, Kildee, Andrews, Woolsey, Hinojosa, McCarthy, Tierney, Kucinich, Holt, Bishop of New York, Hirono, Altmire, Hare, Shea-Porter, Fudge, Polis, Titus, Petri, Guthrie, and Roe.

Staff present: Jeff Appel, Senior Education Policy Advisor/Investigator; Jody Calemine, General Counsel; Denise Forte, Director of Education Policy; Jose Garza, Deputy General Counsel; David Hartzler, Systems Administrator; Ryan Holden, Senior Investigator; Sadie Marshall, Chief Clerk; Ricardo Martinez, Policy Advisor, Subcommittee on Higher Education, Lifelong Learning and Competitiveness; Bryce McKibbin, Staff Assistant, Education; Alex Nock, Deputy Staff Director; Lillian Pace, Policy Advisor, Subcommittee on Early Childhood, Elementary and Secondary Education; Julie Peller, Senior Education Policy Advisor; Alexandria Ruiz, Administrative Assistant to Director of Education Policy; Melissa Salmanowitz, Press Secretary; Ajita Talwalker, Education Policy Advisor; Mark Zuckerman, Staff Director; Stephanie Arras, Minority Legislative Assistant; Kirk Boyle, Minority General Counsel; Amy Raaf Jones, Minority Higher Education Counsel and Senior Advisor; Alexa Marrero, Minority Communications Director; Brian Newell, Minority Press Secretary; Susan Ross, Minority Director of Education and Human Services Policy; and Linda Stevens, Minority Chief Clerk/Assistant to the General Counsel.

Chairman MILLER [presiding]. The committee will come to order. My apologies to the members and the witnesses; just some last minute details that we had to take care of in preparation. So then a quorum being present, the committee will come to order, I am reminded by my staff. So a quorum is present, we are in order. Here we go.

The Education and Labor Committee meets this morning to examine reports from the Department of Education inspector general looking at higher education accrediting agencies. The inspector general's review focused on institution policies on credit hours and program length.

As the cost of higher education and, subsequently, the federal investment in student aid rise and more students go into debt to finance their education it is critical that we ask what students and taxpayers, as federal investors, are paying for. This has been a priority of this committee for many years, certainly intensely, I think, over the last 6 or 8 years as we have seen dramatic increases in the cost of education, dramatic increases in the rise of indebtedness of students who participate in higher education.

And Mr. McKeon, on the Republican side of the aisle, has been a hawk on this issue. Mr. Kline has taken up that call also, Mr. Tierney and Mr. Hinojosa.

With the last reauthorization of the Higher Education Act we tried to deal with issues like maintenance of effort to make sure that we weren't putting federal money in at the top and people were taking it out the bottom, although I think the states are probably still doing that in a number of instances.

It is not bound by whether an institution is for-profit or non-profit, private or public; those haven't been the issues. It has been a concern across the board and it has been echoed across the country as commentators and others have worried about the increased cost and the indebtedness of our students.

The I.G.'s report found that some accrediting agencies do not have any established definitions of a credit hour, which could result in inflated credit hours and misappropriation of student aid. These are my conclusions, so I don't ask you to—but I think the accrediting agency is sort of about the way it should be, and we discover these problems and we fix them, and we go back and forth on that.

I hope to be able to use this report and the responses back and forth because I think they are representative of the concerns and I think they are representative of what has been the historical defense of the system that has worked, in many instances, reasonably well, it appears.

But I must say that I am constantly inundated now from members of Congress on both houses, on both sides of the aisle, with the substantial increase in student aid that has been appropriated and authorized over the last several years—about how this aid is being used. I just want to impress upon people that this is a concern that goes across the Congress at this point.

And again, I think there is the tendency that people say, "Well, you don't like for-profits," or, "You like the old, traditional way; you don't understand the future; you don't understand inputs versus outcomes, seat time versus this." I think this committee does.

But I think at the end of the day what we know is that the system has to resolve itself in how we allocate federal taxpayer dollars. And when students and families are borrowing money, the system has to resolve itself in favor of accountability and integrity, and that is our concern, and that is why this is really an oversight hearing.

This isn't about a "gotcha." This isn't about who is right and who is wrong. I think that this particular episode—when I read the report essentially by chance, it said to me, "Here is a chance to look at this system and pull it apart a little bit to make sure that we have some understanding of how this is done."

You know, we have worked to try to bring down the cost of education for families by increasing the Pell Grant; we have lowered the interest rates on student loans; we made it easier for students and families to manage their debt with the income based repayment system; we have allowed, under certain circumstances, people to discharge their debt after 10 years, or after 25 years, so that they can make career choices. But at the end of the day we are still adding additional taxpayer dollars to the system to provide that opportunity.

We see a system where certainly at the community college level 1.5 million people showed up last year who hadn't been in the system before because the economy dictated that they go and try to acquire additional skills and talents and update their skill sets. We see explosive growth in the for-profit system that is meeting the demands and the requirements of many, many students as they try to manage their obligations to work and their ability to acquire additional skills and knowledge.

Much of this is new—relatively new, so to speak—and yet we continue to have an accreditation system that appears to be sort of the same as it was before, saying that we acknowledge the newness and we are accommodating that. That is just my impression; it is not a conclusion or to say that that is how it is so.

And so I hope that we will be able to pull some of this apart, or I hope that we will be able to continue this inquiry, because I think we have to provide answers to taxpayers, to families, to students, and to the institutions of what are the rules. "How do you do this?" So this will continue.

Because of the kind of unusual nature of this—of laying out this issue—I have asked and the minority has agreed that I would have 15 minutes in my opening questions and that the minority would have 15 minutes, and then we will open it up for questions by the members.

And with that, I would like to recognize Congressman Guthrie, the senior Republican this morning.

[The statement of Mr. Miller follows:]

**Prepared Statement of Hon. George Miller, Chairman,
Committee on Education and Labor**

Good morning.

The Education and Labor Committee meets this morning to examine reports from the Department of Education Inspector General looking at higher education accrediting agencies.

The Inspector General's reviews focus on institutions' policies on credit hours and program length.

As the cost of higher education and, subsequently, the Federal investment in student aid rise, and more students go into debt to finance their educations, it is critical that we ask what students and the taxpayers—as Federal investors—are paying for.

The IG's report found that some accrediting agencies do not have any established definitions of a credit hour, which could result in inflated credit hours and misappropriated student aid.

This is alarming and could result in serious implications both for students and the future of this country.

Now more than ever, the strength of our economy rests on our ability to produce a highly educated workforce.

A study this week by the Center on Education and the Workforce at Georgetown University projected that in 2018, there will be more than three million jobs that require at least an associate's degree and not enough people available who are qualified to fill them.

The system we have today provides aid to students based on the number of credit hours they take at an accredited institution. Each institution sets those credit hours, and we rely on independent accreditors to see to it that institutions do so properly.

However, the recent IG reports highlight a lack of clear standards and policies on this issue, as well as a questionable decision by one agency to accredit an institution which peer reviewers observed had "egregious" credit hour policies.

I am particularly concerned about institutions inflating credit hours in order to garner more student aid than is justified.

This is increased revenue to the institution, but raises the cost of higher education for their students, and for the taxpayer.

Students could be paying more money than they should be without getting the product they had hoped for—a coursework or degree that is worth something in the workforce.

This Committee and this Congress have worked diligently and in a bipartisan way to help ensure students have access to the resources they need to obtain a college degree.

We've helped bring down the cost of college for families by increasing the Pell Grant. We've lowered the interest rates on need based student loans and made it easier for the students and the families to manage their debt.

We've created income based repayment programs that ensures a borrower will only have to pay back fifteen percent of their discretionary income and after 25 years, the debt will be completely forgiven.

This is why we have a responsibility to ensure the students who are eligible to receive federal student aid are receiving it and that the institutions which serve these students are upholding the integrity of the programs.

Accrediting agencies, in their role of overseeing educational quality, are important gatekeepers to student financial aid.

Just like our federal student aid programs, they have to work in the best interest of students.

The significant investments in Federal student aid this Committee has made in recent years makes it all the more critical and timely that we be assured accrediting agencies are providing the checks and balances needed to keep institutions of higher education accountable.

I want to thank our witnesses for being here today. I look forward to hearing your testimony.

Mr. GUTHRIE. Thank you, Mr. Chairman, and good morning.

The topic of today's hearing, broadly speaking, is accreditation. It is a system of peer review and program approval that has a long history in American higher education.

Accreditation is widely viewed as a seal of approval, a sign of program quality. In our higher education system accrediting agencies are entrusted with a great deal of authority, determining which institutions are eligible to participate in the multibillion-dollar federal aid student programs.

It is not Congress or the Department of Education that sets the standards or visits the colleges to measure and verify their program quality. Instead, independent accrediting agencies bear this vital responsibility.

This is not a fluke. Our nation has always tried to maintain an appropriate balance between accountability to its students and taxpayers, and the independence of our higher education systems.

One of the benefits of this framework is that it allows greater flexibility for maintaining program quality while fostering constant

innovation. For instance, if accreditation were defined by Congress and measured in terms of, for example, the number of books in the library, an institution that gives its students access to electronic course materials could be unfairly excluded from financial aid programs.

Understanding the basic purpose and process of accreditation is necessary as we delve into the specific topic of our hearing. Today we will look at a report from the U.S. Department of Education's inspector general regarding one specific accrediting agency and the process it used to grant accreditation to a particular institution of higher education. This is one of a series of reviews done by the I.G. examining how accrediting bodies are operating within the parameters of the law.

I will leave it to the inspector general to spell out the details of her report. Let me simply say I appreciate the work that has been done to ensure the intent of Congress that accrediting bodies use the necessary tools to ensure the program quality is being met.

As we examine the I.G.'s findings and the broader issues of how accrediting bodies measure program quality, let me close by urging a note of caution. American students and taxpayers must have confidence in our accrediting system. On that we all agree.

We need transparency and accountability to ensure these independent bodies are fulfilling their mission. However, we must be careful not to stray from the fundamental principle that government does not—and indeed, it cannot—dictate what constitutes a quality institution of higher education.

This is a point worth emphasizing, particularly in light of the notice of proposed rulemaking released by the U.S. Department of Education just last week. Efforts to create a federal definition for a credit hour or to establish strict federal parameters for program length have the potential to place us on a slippery slope—one that will limit creativity and innovation in the delivery of postsecondary education.

Americans take unique pride in our colleges and universities—their independence, their quality, and their potential for innovation. These virtues are rooted in our unique system of peer-reviewed accountability.

I welcome the efforts to shine light on the accrediting system and continue efforts to ensure accreditors are using the right tools and measurements to hold institutions to high standards. I believe we can maintain accountability without relinquishing the flexibility and independence of academia.

Thank you, and I yield back.

[The statement of Mr. Guthrie follows:]

**Prepared Statement of Hon. Brett Guthrie, a Representative in Congress
From the State of Kentucky**

Thank you Mr. Chairman, and good morning. The topic of today's hearing, broadly speaking, is accreditation. It is a system of peer review and program approval that has a long history in American higher education.

Accreditation is widely viewed as a seal of approval—a sign of program quality. In our higher education system, accrediting agencies are entrusted with a great deal of authority, determining which institutions are eligible to participate in the multi-billion dollar federal student aid programs.

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As we examine the IG's findings and the broader issues of how accrediting bodies measure program quality, let me close by urging a note of caution.

American students and taxpayers must have confidence in our accreditation system—on that, we all agree. We need transparency and accountability to ensure these independent bodies are fulfilling their mission. However, we must be careful not to stray from the fundamental principle that government does not, indeed it cannot, dictate what constitutes a quality institution of higher education.

This is a point worth emphasizing, particularly in light of the Notice of Proposed Rulemaking released by the U.S. Department of Education just this week. Efforts to create a federal definition for a "credit hour" or to establish strict federal parameters for program length have the potential to place us on a slippery slope—one that will limit creativity and innovation in the delivery of postsecondary education.

Americans take pride in our colleges and universities—their independence, their quality, and their potential for innovation. These virtues are rooted in our unique system of peer-reviewed accountability.

I welcome efforts to shine a light on the accreditation system, and continued efforts to ensure accreditors are using the right tools and measurements to hold institutions to high standards. I believe we can maintain accountability without relinquishing the flexibility and independence of academia. Thank you, and I yield back.

Chairman MILLER. Thank you, gentleman, for your statement.

And I would like now to welcome our panel to the committee. Thank you for giving us your time and your expertise.

We will begin with Ms. Kathleen Tighe, who serves as inspector general for the Department of Education, conducting independent, objective audits, investigations, and inspections to weed out fraud, waste, and abuse within the department. During her distinguished career in public service Ms. Tighe has served as deputy inspector general of the U.S. Department of Agriculture, counsel to the inspector general of the General Services Administration, and as assistant counsel to the Office of Inspector General.

Dr. Sylvia Manning is the president of the Higher Learning Commission of the North Central Association, a position she has held since 2008. As president she is responsible for overseeing the accreditation of degree-granting postsecondary educational institutions in the north central region of the United States. Previously Ms. Manning served as chancellor of the University of Illinois at Chicago, elevating the university to its current position as one of the top 50 universities in the country for federal research funding.

Dr. Michale McComis currently serves as the executive director of the Accrediting Commission of Career Schools and Colleges,

overseeing the accreditation process for over 100—excuse me—for over 810 applicant institutions throughout the United States. Specializing in measuring and evaluation of student achievement outcomes, Dr. McComis has authored several publications and conducted several research projects for the commission in addition to participating in the International Accreditation Activities in Saudi Arabia, Malaysia, Brazil, Canada, and the Caribbean. Before joining ACCSC Mr. McComis worked in trade work by serving as an electrician's apprentice and HVAC technician throughout his service to the United States Marine Corps.

Welcome to all of you. Our lighting system you may be familiar with, but when you begin a green light will go on in those small boxes in front of you; that will give you 5 minutes. And at 4 minutes an orange light will go on and then you can start summing up your testimony. Your statement will be placed in the record in its entirety so you proceed in the manner in which you are most comfortable.

And I will begin with you.

**STATEMENT OF KATHLEEN TIGHE, INSPECTOR GENERAL,
U.S. DEPARTMENT OF EDUCATION**

Ms. TIGHE. Chairman Miller, Representative Guthrie, and members of the committee, thank you for inviting me here today to discuss the Office of Inspector General's reviews of accrediting agencies' standards for program length in higher education. This is my first opportunity to testify before Congress since my March confirmation as inspector general and I look forward to working with this committee to help ensure that federal education programs and operations meet the needs of America's students and families.

As requested, I will discuss OIG work involving standards for program length and the definition of a credit hour—critically important issues in the federal student loan program as the amount of federal aid a student can receive is based on the number of credit hours that a student is enrolled in.

This issue has become even more significant as online education has exploded in recent years, making credit hour assignment difficult, its comparison to traditional classroom delivery difficult and a challenge, and its value increasingly important to ensure that students and taxpayers get what they are paying for.

The OIG has conducted extensive work involving accrediting agencies for over 2 decades because the role of these—these agencies play is vital. Accreditation is one of the primary requirements for an institution's participation in the federal student aid programs and determines whether academic programs merit taxpayer support.

The department is dependent on accrediting agencies to ensure that institutions provide quality content and academic rigor at the postsecondary level as it is prohibited from determining the quality of education funded by federal education dollars. All the department can do with regard to evaluating the quality of postsecondary education is recognize accrediting agencies as reliable authorities for the quality of education funded by federal dollars. Thus, the recognition of accrediting agencies by the secretary of education is the primary tool available to the department for ensuring that stu-

dents receive value for the taxpayer investment of postsecondary education.

We conducted our most recent work on accrediting agencies last year in order to provide the department and Congress with information regarding the definition of a credit hour for recent negotiated rulemaking sessions. We examined three of the seven regional accrediting agencies to determine what guidance regarding program length and credit hours they provided to those institutions—to institutions and peer reviewers. The three accrediting agencies we reviewed represent one-third of the institutions participating in federal student aid programs—over 2,200 postsecondary institutions receiving more than \$60 billion in federal student aid funding.

We found varying levels of guidance related to the issues we looked at. For example, the Southern Association of Colleges and Schools provides guidance regarding program length and the required number of credit hours; however, the other two agencies did not set minimum requirements related to program length.

Most significantly, we found that none of the agencies established a definition of a credit hour. Their failure to do so could result in inflated credit hours, the improper designation of full-time student status, the over-awarding of federal student aid funds, and excessive borrowing by students, especially with distance, accelerated, and other programs not delivered through the traditional classroom format.

At two of the accrediting agencies we were told that student learning outcomes were more important than the assignment of credit hours. However, these two accrediting agencies provided no guidance to institutions or peer reviewers on acceptable minimum student learning outcomes at the postsecondary level.

Currently the student aid programs are primarily dependent on the credit hour for making funding decisions, as are other forms of aid including state student aid programs and certain programs administered through the Department of Veterans Affairs. To help address this issue the department just released a proposed rule that contains the definition of a credit hour. Once a final rule is adopted by the department we will be closely watching its implementation and evaluating whether the definition of a credit hour is effective in protecting students.

This concludes my statement, and I am happy to answer any questions.

[The statement of Ms. Tighe follows:]

**Prepared Statement of Kathleen S. Tighe, Inspector General,
U.S. Department of Education**

CHAIRMAN MILLER, RANKING MEMBER KLINE, AND MEMBERS OF THE COMMITTEE: Thank you for inviting me here today to discuss the U.S. Department of Education (Department) Office of Inspector General's (OIG) reviews of accrediting agencies' standards for program length in higher education. This is my first opportunity to testify before Congress since my March confirmation as the Inspector General. It is an honor to lead this organization with its long history of accomplishment and to have the opportunity to work with this Committee, which has led the way in improving Federal education programs and operations so they meet the needs of America's students and families.

As requested, I will provide information on our work involving standards for program length and the definition of a credit hour—critically important issues in the

Federal student aid programs, as the amount of Federal student aid a student can receive is based on the number of credit hours for which a student is enrolled.

This issue has become even more significant as on-line education has exploded in recent years, making credit hour assignment difficult, its comparison to traditional classroom delivery a challenge, and its value increasingly important in order to ensure that students and taxpayers get what they are paying for.

Background on the OIG and Accrediting Agencies

For 30 years, the OIG has worked to promote the efficiency, effectiveness, and integrity of Federal education programs and operations. We conduct independent audits, inspections, investigations, and other reviews, and based on our findings, make recommendations to the Department to address systemic weaknesses and recommend to both the Department and Congress needed changes in Federal laws.

As members of this Committee know, the Federal student aid programs have long been a major focus of our audit, inspection, and investigative work, as they have been considered the most susceptible to fraud and abuse. The programs are large, complex, and inherently risky due to their design, reliance on numerous entities, and the nature of the student population. OIG has produced volumes of significant work involving the Federal student aid programs, leading to statutory changes to the Higher Education Act of 1965, as amended (HEA), as well as regulatory and Departmental operational changes. This includes extensive work involving accrediting agencies. Accrediting agencies are private educational associations that develop evaluation criteria and conduct peer reviews of institutions of higher education to ensure that the instruction provided by those institutions meets acceptable levels of quality. The role they play is vital, as accreditation is one of the primary requirements for an institution's participation in the Federal student aid programs and determines whether academic programs merit taxpayer support.

Under the HEA, the Department is dependent on the accrediting agencies recognized by the Secretary of Education (Secretary) to ensure that institutions provide quality, content, and academic rigor at the postsecondary level. The Higher Education Opportunity Act of 2008 included a provision that prohibits the Department from developing minimum regulatory criteria for an accrediting agency's standards for accreditation. The Department of Education Organization Act of 1980 prohibits the Department from making determinations on curriculum and educational quality. Thus, the Department is prohibited from determining the quality of education funded by Federal education dollars. All it can do with regard to evaluating the quality of postsecondary education is recognize accrediting agencies as reliable authorities for the quality of education funded by Federal dollars. In 1992, Congress established the National Advisory Committee on Institutional Quality and Integrity—an independent body charged with doing what the Department cannot: evaluating the adequacy of accrediting agencies' standards for accreditation and making recommendations to the Secretary as to those agencies that should be recognized. That input is vital, as the recognition of accrediting agencies by the Secretary is the primary tool available to the Department for ensuring that students receive value for the taxpayer investment in postsecondary education.

OIG Work Involving Accrediting Agencies

In the late 1980s and early 1990s, OIG identified significant problems with some accrediting agencies' oversight of program length at some institutions. Our work contributed to significantly strengthening the requirements accrediting agencies needed to meet for recognition by the Secretary in the Higher Education Act Amendments of 1992. The Amendments also mandated that an academic year, for undergraduate programs, must be a minimum of 30 weeks of instructional time in which a full-time student is expected to complete at least 24 credit hours. The Department faced difficulty in applying this requirement to programs measuring student progress in credit hours but not using a semester, trimester, or quarter system, including non-traditional educational delivery methods. Therefore, the Department established the regulatory 12-Hour Rule. The 12-Hour Rule served as a surrogate for the Carnegie formula, which provided the standard unit of measuring credit in higher education, whereby one credit hour generally consisted of one hour of classroom work and two hours of outside preparation over the course of the academic year. "One hour of classroom work" is defined as 50 to 60 minutes. Under this method, a full-time student in an education program using a semester, trimester, or quarter system would have a workload of 36 hours per week through the academic year (12 hours of classroom work and 24 hours of outside preparation per week). At the time, there was an assumption that the traditional semester, trimester, and quarter system provided a minimum level of instruction and that these programs closely followed the Carnegie formula.

The 12-Hour Rule provided a tool for the Department to help ensure that students received a given quantity of instruction. The Department relied on accrediting agencies to ensure that the quantity and quality of instruction was at the postsecondary level. The assumption was that a full-time student attempting 12 credit hours in a semester would have 12 hours of scheduled instruction per week. In 2000, we performed an audit where we found that an institution's programs offered much less classroom education than programs provided by traditional term-based institutions and that the institution was in violation of the 12-Hour Rule. A series of audits over the next two years identified other institutions that were in violation of the 12-Hour Rule.

In 2002, the Department eliminated the 12-Hour Rule in favor of the One-Day Rule. Under this regulation, an institution is required to provide one day of regularly scheduled instruction during each week in an academic year. However, neither the HEA nor the implementing regulations define what constitutes instruction or the minimum amount of instruction that needs to be provided during the required one day of instruction. At the time of the change, much like today, there were many different delivery methods for instruction: the traditional residential term-based programs; residential programs not offered on a semester, trimester, or quarter system; correspondence courses; telecommunications programs; and independent study. There was no specificity in what could be included as instruction for determining an institution's academic year and credit hours for the awarding of Federal student aid funds.

We informed the Department about our concern with the elimination of the 12-Hour Rule, as well as the need to address the definition of instruction, the appropriate amount of Federal student aid to be awarded in non-traditional programs, and accrediting agency oversight of non-traditional programs. As a result of this concern, in 2002-2003, we took another look at this issue and examined two regional accrediting agencies and two national accrediting agencies, evaluating their standards for program length and student achievement. The scope of recognition for regional accrediting agencies is limited to specific states for each accrediting agency, while the scope of national accrediting agencies is not limited to specific states. We found:

Program Length

- Neither regional agency had a definition of a credit hour that it required its institutions to follow. The standards these regional agencies applied to program length were vague and without definition, effectively allowing institutions to establish their own standards; and
- The two national agencies both had a definition of a credit hour in terms of the required hours of instruction needed to equate to a credit hour.

Student Achievement

- The regional agencies had not established minimum graduation, placement, and licensure rates for any of their institutions providing vocational education programs. For all education programs, these regional agencies permitted institutions to establish their own standards for student achievement, without any specified minimum standard; and
- The national agencies had established minimum graduation, placement, and state licensure rates for the institutions they accredited. However, at both agencies we identified problems in the methodology by which the rates were calculated that caused the rates to be overstated.

As a result of these findings and in anticipation of the scheduled 2004 reauthorization of the HEA, we made a recommendation that Congress establish a statutory definition of a credit hour stating: "For programs that are not offered in clock-hours, credit hours are the basis for determining the amount of aid students are eligible for. Absent a definition of a credit hour, there are no measures in the [Higher Education Act] or regulations to ensure comparable funding across different types of educational programs." The recommendation was not included in the reauthorization.

Recent OIG Reviews

As a follow-up to this work and in anticipation of the 2009-2010 higher education negotiated rulemaking sessions in which the definition of a credit hour was to be discussed, OIG once again examined the issue in order to provide the Department with facts on program length and the definition of a credit hour in negotiated rulemaking and to provide information to Congress on the state of the definition of a credit hour at regional accrediting agencies. As regional accreditation has long been considered the "gold standard" in accreditation and information on what the regional accrediting agencies were doing with regard to credit hours could greatly in-

form the regulatory process, we determined that we would do reviews at the three largest of the seven regional accrediting agencies. The three accrediting agencies were: the Southern Association of Colleges and Schools Commission on Colleges (SACS); the Middle States Association of Colleges and Schools (Middle States); and the Higher Learning Commission of the North Central Association of Colleges and Schools (HLC). These three accrediting agencies represent one-third of the institutions participating in Federal student aid programs: 2,222 postsecondary institutions with more than \$60 billion in Federal student aid funding.

Our objectives were to determine: (1) what guidance the accrediting agencies provide to institutions regarding program length and credit hours; (2) what guidance the accrediting agencies provide to peer reviewers to assess program length and credit hours when evaluating institutions; and (3) what documentation the accrediting agencies maintain to demonstrate how they evaluate institutions' program length and credit hours. We found that none of the accrediting agencies defined a credit hour and none of the accrediting agencies provided guidance on the minimum requirements for the assignment of credit hours. At two of the accrediting agencies (HLC and Middle States), we were told that student learning outcomes were more important than the assignment of credit hours; however, these two accrediting agencies provided no guidance to institutions or peer reviewers on acceptable minimum student learning outcomes at the postsecondary level. The following is a summary of our results at each accrediting agency:

Southern Association of Colleges and Schools Commission on Colleges

- SACS provides guidance to institutions regarding program length and the required number of credit hours; however, it does not provide guidance on the minimum requirements for the assignment of credit hours or the definition of a credit hour;
- SACS provides guidance to reviewers regarding the assessment of program length, but does not provide reviewers guidance regarding the assessment of credit hours; and
- SACS maintains documentation to demonstrate that it evaluates institutions' program length and credit hours.

Middle States Association of Colleges and Schools

- Middle States does not have minimum requirements specific to program length and does not have minimum requirements for the assignment of credit hours; and
- Middle States senior staff stated that their main focus was on student learning outcomes; however, we did not find that Middle States provided any guidance to institutions and peer reviewers on minimum outcome measures to ensure that courses and programs are sufficient in content and rigor.

Higher Learning Commission of the North Central Association of Colleges and Schools

- HLC's standards for accreditation do not establish the definition of a credit hour or set minimum requirements for program length and the assignment of credit hours;
- HLC does not provide specific guidance to peer reviewers on how to evaluate the appropriateness of an institution's processes for determining program length and assigning credit hours or on the minimum level of acceptability for accreditation when evaluating these processes;
- HLC maintains self-studies and team reports as documentation of its evaluation of institutions' program lengths and credit hours, but the amount of information related to program length and credit hours that institutions and peer reviewers included in these respective documents varied; and
- HLC determines whether institutions assess student learning outcomes; however, it does not define a minimum threshold for when the measures of achievement for student learning outcomes indicate poor educational or programmatic quality.

While conducting our inspection at HLC, we identified a serious issue that we brought to the Department's attention through an Alert Memorandum. HLC evaluated American InterContinental University (AIU)—a for-profit institution owned by Career Education Corporation (CEC)—for initial accreditation and identified issues related to the school's assignment of credit hours to certain undergraduate and graduate programs. HLC found the school to have an "egregious" credit policy that was not in the best interest of students, but nonetheless accredited AIU. HLC's accreditation of AIU calls into question whether it is a reliable authority regarding the quality of education or training provided by the institution. Since HLC determined that the practices at AIU meet its standards for quality, without limitation, we believe that the Department should be concerned about the quality of education or training at other institutions accredited by HLC. Based on this finding, our Alert

Memorandum recommended that the Department determine whether HLC is in compliance with the regulatory requirements for accrediting agencies and, if not, take appropriate action under the regulations to limit, suspend, or terminate HLC's recognition by the Secretary. The Department initiated a review of HLC and determined that the issue identified was not an isolated incident. As a result, the Department gave HLC two options for coming into compliance: (1) to accept a set of corrective actions determined by the Department; or (2) the Department would initiate a limitation, suspension, or termination action. In May 2010, HLC accepted the Department's corrective action plan.

Current Status

With the explosion of on-line postsecondary education and accelerated programs, the value of a credit hour becomes increasingly important to ensure that students and taxpayers get what they are paying for. Currently, the Federal student aid programs are primarily dependent on the credit hour for making funding decisions, as are other forms of aid, including state student aid programs and certain programs administered through the U.S. Department of Veterans Affairs. To help address this, the Department will soon be issuing a definition of a credit hour through a notice of proposed rulemaking that we understand will be issued on June 18. Once a final rule is adopted by the Department, we will be closely watching its implementation and evaluating whether the definition of a credit hour is effective in protecting students and taxpayers.

Closing Remarks

We view the recognition of accrediting agencies by the Secretary as the primary tool available to the Department for ensuring that students receive value for the taxpayer investment in postsecondary education. As the Department is prohibited from developing minimum regulatory criteria for an accrediting agency's standards for accreditation or making determinations on curriculum and educational quality, it is not unreasonable for the Department to expect an accrediting agency to have developed its own minimum standards.

On behalf of the OIG, I want to thank you for the support Congress has given to this office over the years. We look forward to working with the 111th Congress in furthering our mutual goal of protecting students and serving the taxpayers.

This concludes my written statement. I am happy to answer any of your questions.

Chairman MILLER. Thank you.
Ma'am?

STATEMENT OF SYLVIA MANNING, PH.D., PRESIDENT, THE HIGHER LEARNING COMMISSION OF THE NORTH CENTRAL ASSOCIATION

Ms. MANNING. There we go. Okay, thank you very much.

And good morning, Chairman Miller, Representative Guthrie. Thank you very much for giving me this opportunity to speak with you today on matters of great mutual concern.

You spoke about accountability and integrity; they are very high on our list. And we are also very much concerned about the issues of student debt and taxpayer costs.

I do want to make one brief point with regard to the case that was the center point of the inspector general's review of our work last summer and then move on to the body of my testimony. The point I want to make is simply to remind people that this was not a dispute about the value of the courses for which we determined that there was too much credit being ascribed. We found that fault and we found that based on our own standards.

The disagreement with the Inspector General's Office was a disagreement about having made that finding, what should we do next? We took an approach that they did not agree with. Subsequent events and further examination of the institution have indi-

cated that our approach worked. And of course, I would be willing to answer more questions about this institution in the question period.

I want to make two simple points about how we conduct accreditation. Accreditation, for us, is an action that does indeed rely more upon judgment than upon statements of minimum thresholds. And secondly, I want to say—and I want to assert—that this is a rigorous process and that it is rigorous not in spite of the fact that it relies upon informed judgment but, frankly, because of that fact.

Why do we use a process that relies so much upon judgment and so much less upon minimum thresholds? Because we are charged with assuring and advancing quality and we want real quality, we don't want minimum quality; because the areas in which our evaluators are judging are messy and complex; and because we want to be in a posture of continuously requiring that our institutions improve.

We don't believe quality stands still. An institution that isn't assessing itself and constantly engaging in improvement is losing quality, and that is what we are fighting against.

How do we achieve the rigor? We achieve the rigor by using experienced professionals, people who have been in the field for many, many years. We use a wide range of them.

But we don't simply rely on that expertise. We require our evaluators to be trained, and in fact, we do refresher training when policy changes. And the training they receive and the work they do is within a framework of stated criteria. This varies from accrediting agency to accrediting agency.

In our case we have five criteria and 21 core components, and our institutions are required to demonstrate that they meet every one of these core components, and our evaluators are required to make a finding that they meet them. But the finding must be based, as is the demonstration, on evidence.

This is an evidence-based process. The findings are rendered in evidentiary statements, and that is a primary consideration.

Let me turn for a minute more to the question of program length and definition. The definition, so to speak, of a credit hour is actually deeply understood in the higher education community.

The fact that our standards don't happen to cite precisely the so-called Carnegie Hour does not mean that our evaluators are not capable of assessing whether a course is worth the amount of credit that is being given to the course. And in fact, in the particular case that came up in the course of our review our assessors exactly looked at the courses and without benefit of a written definition and a written standard determined that in their view the courses carried too much credit.

But what has happened over the many decades in which the credit hour concept is used is that it has come to be understood by the working professionals in the area not as a function of a clock but as a body or a quantity of knowledge and skill that is imparted. And that is why accreditors have come to look so much at student outcomes, because the fact of the matter is that the credit hour may be good for lots of things but it won't tell you what a student learns—it won't even tell you whether a student learned anything

in the 3 hours a week the student sat in the classroom or whether the student even did the homework.

What we are looking for is assessment of outcomes as a very important factor in accreditation because we want to be sure that the students learned things and that the institutions assessed that and paid attention to it.

If the regulations as proposed are promulgated can we work with them? Yes, we can work with them. There may be some challenges for the institutions. There will be costs to demonstrate compliance, and there may be some deterrence to innovation. We can work with it.

But I can assure you of this much: I don't believe that a definition of a credit hour will solve our challenges with regard to consistency, and I don't believe that that will lead us to the kind of high quality and ever increasing quality this nation needs in higher education.

Thank you. I will be happy to answer questions.

[The statement of Ms. Manning follows:]

Prepared Statement of Sylvia Manning, President, the Higher Learning Commission of the North Central Association

I thank Chairman Miller, Ranking Member Kline, and members of the Committee for this invitation to testify on standards for program length in higher education.

I have served as President of the Higher Learning Commission of the North Central Association since July 1, 2008. Prior to that I served as Chancellor of the University of Illinois at Chicago; I have worked in higher education my entire adult life.

The Higher Learning Commission is the regional accreditor for 19 states defined as North Central. Specialized and professional accrediting agencies accredit specific programs, such as law, engineering, or nursing. Regional accreditors accredit entire degree-granting institutions of higher education; they are membership organizations composed of the accredited colleges and universities, committed to uphold shared standards and improve practices and outcomes. The Higher Learning Commission has just over 1,000 members representing the full spectrum of American higher education: public, private and for-profit; community colleges, four-year schools, professional schools, comprehensive universities, research universities, faith-based colleges, tribal colleges; colleges with a few hundred students and universities with tens of thousands of students.

This diversity of colleges and the spirit of freedom and enterprise that enabled its development are widely believed to constitute one of the pillars that have made U.S. higher education still the strongest in the world, despite continuing concerns about American global competitiveness. In fact, those continuing concerns are part of an unceasing drive to innovation that sustains quality.

It is my understanding that this hearing was prompted by the recently reported review by the U.S. Department of Education Inspector General of standards for credit hours and program length at three of the regional accrediting agencies. The report on the Higher Learning Commission was the last to be released and the most critical of the three, culminating in a recommendation that the Department undertake a review of the Commission's qualification as a recognized accreditor. The report and in particular that recommendation focused intensively on the case of a single institution and the Commission's decision to grant it accreditation.

In preparing this testimony I have proceeded on the understanding that the Committee's interest is not in a single institution or a single decision, but in the general issue of credit hours and program length and the broader issue of quality. I will refer briefly to the specific case at the end of my testimony and am entirely willing to discuss it further in oral questioning.

My testimony is in three parts: (1) The nature of accreditation and how it addresses quality; (2) The strengths and limitations of the credit hour as a measure to determine academic attainment; and (3) The relationship of the credit hour and program length to the assurance of quality.

Accreditation and Quality

Higher education institutions are regulated by state and local governments and, to the extent that they accept federal monies, the federal government. These regula-

tions touch upon accounting standards, probity in the use of public funds, fire and building codes, discrimination in employment, athletics opportunities for students, research with human or animal subjects, eligibility for Title IV federal aid to students, and a variety of other matters.

Regional accreditation assesses the quality of a college or university to ensure that its academic offerings are appropriate and rigorous, that its practices have integrity, and that its business operations are robust. It looks at the entirety of the institution, necessarily taking a broad view. The issues it engages are complex and messy and often don't lend themselves to strict rules, to questions with yes-or-no answers and scores at the end.

Accreditation is an act of judgment based upon articulated standards or criteria that expressly allow for, even require, judgment. Because of that, it preserves the ability to adapt to varying circumstances, contexts and environments, to deal with diversity, to tolerate—even to encourage—innovation, and to apply constant pressure for improvement. Accreditation, in other words, seeks to support the innovative and adaptive spirit that has created the richness and range of American higher education, the range that in turn enabled the United States to democratize higher education long before other political democracies attempted to do so.

Accreditation pursues a dual purpose of quality assurance and quality improvement and must accomplish both rigorously. There are standards of quality that must be met, and there is the need for continuous quality improvement. Improvement is critical because quality is not immutable and it does not stand still: an organization is either improving its quality or losing it.

In regulations under Title IV of the Higher Education Act, minimum thresholds are often key and must be clear, although even in Title IV regulation there is a place for judgment by the staff of the U.S. Department of Education where appropriate. Accreditation typically shies away from defining minimum thresholds, and the Higher Learning Commission in particular has tended to less specific language, with phrases such as “commonly accepted.” But there is no basis for any assumption that the absence of precise or quantified minimum thresholds indicates or creates a lack of rigor.

The Higher Learning Commission, for example, has five Criteria under which it arrays 21 Core Components. The Core Components are findings that institutions must demonstrate and review teams must make, such as “The organization’s learning resources support student learning and effective teaching.” To support this finding, multiple forms of evidence will be required and the evidence will be concrete, but that is different from a “minimum threshold” that might say something like “The organization must provide at least 1 public computer station for every 20 students enrolled.” In addition to the Criteria and Core Components, the Commission has 12 specified requirements for eligibility and supplements its Criteria with Statements such as “Principles of Good Practice in Adult Degree Completion Programs.”

The importance of evidence is paramount. The Commission’s guidance documents provide about a half-dozen “Examples of Evidence” for each of the 21 Core Components and reviewers are required to ground every judgment in substantial evidence.

The Commission relies upon expert or professional judgment to determine when standards are simply not met and to apply continuous pressure, even upon the best, to improve. Because it has not depended upon extensive definitions of minimum thresholds, there is no such thing as a “perfect score” in an accreditation review. In its commitment to quality improvement, the Commission eschews a pure regime of minimum thresholds under which an institution seeking only to earn its stamp of approval—its ticket, as it were, to Title IV funds—would be able to meet those minima and no more.

Key to accreditation is the use of peer evaluation by professionals who are qualified and trained to bring judgment to bear on questions of quality. The American judicial system requires juries of peers to assure a communal role in the execution of the law. Accreditation seeks juries of peers for the purpose of expertise, the expertise that is necessary where mission and outcomes are complex, rules cannot be framed with mathematical precision, and judgment is essential.

Countering the risk of excessive subjectivity in judgment, the Commission complements its extensive documented discussions with required training for its peer reviewers and multiple levels of review for critical decisions. Even a relatively small change for an institution, such as a venture into establishing an off-campus location, is reviewed for approval by more than one person. And, as noted above, judgments need to be based on evidence.

Voluntary accreditation has been in place in the United States for over a hundred years and has handled issues related to the evaluation of quality for most of that time. Accreditation works well because it ensures that institutions not only meet appropriate standards but are continually working to exceed those standards, all the

while recognizing that institutions across the broad spectrum of American higher education are not all the same: they have considerable differences in how they approach the task of educating students. This diversity of institutions that provides opportunities for students across the United States to participate in higher education is a key strength of this country. I believe that voluntary accreditation is an important factor in keeping this system strong.

At the same time the Higher Learning Commission believes that its processes, like those of the institutions it accredits, can always benefit from review and improvement. In fact, we have agreed, in follow-up to the Inspector General's report, to address further guidance for our review teams on the application of our standards. But the principles remain: Minimum thresholds may be useful, but they do not guarantee rigor and their absence does not create an absence of rigor. Alone they cannot produce high quality, especially the quality needed in a rapidly changing, competitive environment.

Credit Hours and Program Length

The concept of the credit hour was originally developed for K-12 education. It was adopted by higher education as a way to create a unit smaller than the course, to define differences among types of courses. Later it came to be used in a variety of other ways, such as to define the workload of a faculty member or assess tuition charges. It is now deeply embedded in so many facets of higher education practice that efforts to dislodge it would be highly disruptive. Only very recently in the last century did federal monies become attached to it for the distribution of financial assistance to students.

The credit hour is based upon what is often referred to (usually pejoratively) as seat-time, because it starts from the amount of time a student spends in a classroom. One semester credit hour consists of 15 hours in a classroom plus an assumed two hours of homework for every hour in the classroom, so that it represents a total of 45 hours. A three-credit course at a college on a semester calendar therefore normally meets three hours a week for 15 weeks and assumes that students are doing 6 hours a week of homework. (Except that an "hour" in the classroom is usually 50 minutes, an understanding developed to accommodate the need for students to have 10 minutes to get from one class to another on a college campus.) In theory the definition still makes sense. In practice it has always been mushy.

Anyone who has ever taught or taken a class knows the concept of credit hours is mushy. No one can be sure how much time students spend on homework, but we do know that in any given class there will be huge variation. What's more, the seat-time and homework time, that is the credit hour, has nothing to tell us about what a student learned. But we do know that some students get A's and some students get D's and that the students who got A's learned more than the students who got D's—or at any rate knew more by the end of the course—even though they all met the same credit-hour requirement. Furthermore, we know but don't like to say that a student who earned an A in a course of a given description with a given number of credits using the standard credit-hour definition might take the same course with the same description and the same number of credits using the same standard credit-hour definition at another college and earn a C—because there are differences in what is taught under the description and in the performance expected of students.

So the credit hour by itself is not very good for telling us what a student learned. It may be very good for other things, but not for that. And that is why Undersecretary for Higher Education Martha Kanter has chided accreditors for using input measures like seat-time to assess quality. And that is why for the past 20 years higher education has been developing ways to measure student learning outcomes. That is still a developing art, because it is very difficult to do once you get beyond factual knowledge and basic skills. But that is why some accrediting agencies, like the Higher Learning Commission, have put less emphasis on credit hours as minimum standards and more emphasis on assuring that colleges figure out what their students actually learn and use those assessments to improve their curriculum and teaching.

Program length is almost uniformly defined in American higher education by a number of credit hours, usually referred to simply as credits or units. It is a practical description, and just as the concept of credit hours serves in a mushy way to define a quantity of learning, or at least a quantity of teaching, program length in terms of credit hours defines a degree level. For example, bachelor's degrees are generally 120 or 124 credits, though in some fields, especially technical and certain practice fields, they creep up to as much as 136; associate's degrees are generally 60 credits.

Credit hours and program lengths as developed in this way have come under question not only for their mushiness but also out of the need to adapt to a world

in which a declining percentage of students are traditional students who go away to college or commute to college on a full-time basis. Alternative modes of delivery, most notably internet-based distance delivery that permits a student to participate in classroom activities at any time from anywhere, make nonsense of the idea of seat-time. Furthermore, research in adult learning and the effectiveness of compressed course formats suggests that equivalence should not be measured by time.

Does this mean that higher education should do away with the concept of credit hours? No; but we need to be thoughtful in how we apply it. Over the decades during which the concept of the credit hour has been used, it has come to be understood not as a multiple of hours but as a unit for describing a quantity of information or skill provided in a specific course. Professors of English share widespread understanding of what a three-unit survey course in American literature comprises, and professors of Chemistry know what they should cover in a three-unit course in introductory Chemistry. Those two things are enormously different, and there is no equating the three credits. They began as two of five courses that a typical freshman or sophomore would be expected to carry in one semester in a traditional, full-time college, and that body of effort, for each of those courses, has come to be well understood by the professionals who prepare and teach the courses.

That is how those professionals were then able to transfer the concept of credits to compressed or asynchronous formats where hours can't be counted. What they transferred was not the hours, but the body of work, the body of information and skill. It is symptomatic that the phrase "credit hour" isn't used much: people speak of credits, or units, or sometimes hours, though in that case they would likely be surprised to be taken literally, as though "hours" had something to do with a clock. That is why they accept the notion of giving degree credit for work experience or military training.

If program length is measured in credits and credits are mushy, then program length is necessarily a mushy standard too. But it has come to be workable, just as the concept of credit hours has. That is why we do not support the notion of creating three-year bachelor's degrees. We support the notion of students' completing what has been understood as a four-year program in three years, through advanced placement, year-round course-taking and suchlike, but we believe that it is useful that a bachelor's degree is generally understood to be four years of work and an associate's two, and that calling a three-year program by either of those names would just create confusion. We can have a three-year degree, but let's call it something else.

Credit Hours and Assurance of Quality

The Inspector General's review of the Higher Learning Commission and two other regional accrediting agencies took place in the context of an upcoming session of negotiated rule-making called by the Department of Education, for which one of the issues on the table was the matter of definition of credit hours and program length. The argument put forward as to why a definition was necessary was that the Department of Education needs to assure that federal funds are going towards quality education. That goal is incontrovertible. Ideally, such assurance would be based not on the input of credit hours, but on the outcome of learning. But in reality, federal funds need to be disbursed to students at the beginning of a term, not at the end when it would be at least theoretically possible to measure what they had learned. So the Department needs an input measure.

Will defining that input measure, the credit hour, with more specificity contribute to the assurance or improvement of quality in American higher education? I do not think so. The apparent precision of the credit hour as originally defined, based on the fact that it has numbers, is an illusion: underneath the numbers lies the mush.

Will the Department's requirement of that input measure harm American higher education? I do not think that either. But resources will be spent in demonstrating compliance with the regulation, resources spent by colleges and universities, not accreditors, and diverted from helping students. And it is possible that the risk of citation by an accreditor will deter some institutions from innovation in developing programs for adults and other student populations.

What strikes us as curious is that the call for minimum thresholds in matters such as the credit hour and program length runs counter to the country's expressed interest in increasing, significantly and rapidly, our nation's attainment in higher education. To meet our national goals for educational attainment and a workforce for the 21st-century economy, higher education is asked—by policy makers, legislators, foundations, opinion leaders—to break out of old molds, seek efficiencies, open doors, reach new populations. Strict accreditation requirements based in 19th-century models don't seem likely to get us there.

Can rigor in quality assurance be achieved without defining a credit hour, or requiring institutions to define it or accreditors to approve the definition? Yes. This point may be best demonstrated by referring to the specific case at the center of the Inspector General's report on the Higher Learning Commission. The core of that issue was the fact that a visiting review team to a campus had identified some courses which the team determined were being awarded about double the amount of credit they were worth. Because the Commission nonetheless granted accreditation to the institution, the Inspector General asserted that the Commission either does not have standards or is unwilling to enforce its standards.

But here is the record: (1) the Higher Learning Commission, not the Office of the Inspector General, identified the issue of credits during its review of the institution; (2) consistent with the recommendation of two teams of experienced peer reviewers and based on their academic judgment, we determined that the issue—given the general strength of the institution under our standards—did not warrant denial of accreditation and that a requirement to remedy the problem would be the most effective approach; and (3) further review and a site visit to the institution have since provided evidence that the approach worked. Our standards and procedures identified the problem and corrected it, benefitting students and the public in a way that denial of accreditation could not (especially since the institution was already accredited by another agency and its students were already receiving Title IV monies).

The visiting team of expert reviewers identified the problem, without benefit of a precise definition of the credit hour from either the institution or the Commission. The members of that team, based on years of professional experience, applied professional judgment, pronounced the credit ascription out of line and recommended that the Commission require this fault to be cured (which the Commission did). When the team declared the credit values to be out of line, it did not do so based on how many hours the students spent working on the course, in a classroom or elsewhere. It did so based on the syllabus, on the curriculum, on what and how the students were being taught.

Conclusions

We offer the following conclusions:

- It is appropriate for the Department of Education to assure that recognized accrediting agencies pay great attention to quality and rigor, including the award of appropriate academic credit.
- Accreditation can and does achieve rigor because it relies on peer judgment based on clear evidence and demands improvement well beyond minimum standards.
- The absence of a definition of the credit hour or other minimum thresholds has not impeded the Higher Learning Commission's discernment of quality or making rigorous accreditation decisions.
- A definition of the credit hour, if accompanied by sufficient leeway to adapt to contemporary modes of delivery and adult learning, is something higher education can work with, but it will not assure or improve the quality of higher education in America.
- There is room for improvement in accrediting agencies' assessment and assurance of quality. The Higher Learning Commission is committed to improving its practices and to demonstrating that commitment in action, just as it expects its institutions to be.

Thank you again for the opportunity to testify before the Committee. I look forward to responding to any comments or questions you may have.

Chairman MILLER. Thank you.
Mr. McComis?

STATEMENT OF MICHAEL S. MCCOMIS, ED.D, EXECUTIVE DIRECTOR, ACCREDITING COMMISSION OF CAREER SCHOOLS AND COLLEGES

Mr. McCOMIS. Good morning, Chairman Miller, Representative Guthrie, Committee. Thank you for the opportunity to testify.

My name is Michale McComis and I am the executive director of the Accrediting Commission of Career Schools and Colleges, or ACCSC. We currently accredit 789 career-oriented institutions with over 250,000 students throughout the country.

Today the number of nontraditional, working, adult students seeking higher education is steadily on the rise. While a traditional liberal arts education continues to be an important goal for many students, many other nontraditional students are enrolling in career-oriented programs, often part-time or online.

Given the growing demographic of career-focused adult learners, the higher education community must continue to adapt and innovate in order to accommodate the diversity in its student body. Accordingly, there is not, nor should there be, a one-size-fits-all means by which to define or analyze program length or the credits provided by the institution.

Having said that, evaluating the continued value provided by an institution program remains extremely important. As independent entities that establish standards and assess institutions on a peer review basis, accrediting agencies are the best resource for making determinations related to educational design, delivery, and quality.

The Higher Education Act is written in a manner that relies on and respects an accrediting agency's independence and the need for flexibility to shape standards and processes in a manner that accounts for the types of schools and programs that it accredits. It is important that the act's accompanying regulations continue to also provide this flexibility in order to meet the increasing demand for innovation and diversity in higher education.

As I pointed out during the recent negotiated rulemaking, flexibility and regulation regarding the issue of credit hour is important because regulatory definitions, particularly narrow ones, have the tendency to become entrenched rules that stifle innovation.

The current flexibility in the act has enabled my agency to write standards and create processes that make the best sense for the types of institutions that the agency accredits.

The current NPRM's definition of a credit hour would relegate our rather rigorous requirements to an "other" category in the regulations, potentially exacerbating the difficulty that students attending our schools already have in the area of transfer of credit.

ACCSC's standards are focused on institutional operations and how those operations contribute to student achievement outcomes. Because our goal is to assess an entire institution we do not apply standards one in isolation from another.

Our agency has more than 20 standards that address program length and objectives directly. Our primary standards in this area require institutions to demonstrate that the length of each program enables students to achieve the necessary skills, knowledge, and competencies.

If the school's program is not comparable to others our standards require an institution to justify that variant length. As a standard measure, ACCSC uses a straight clock hour to credit hour conversion which does not take into account outside preparation. Additional standards on program length require the use of independent program advisory committees, specific credit hour lengths for degree programs, and specific considerations for distance education.

Our standards are only as good as the process by which we measure our institutions against them. To prepare for the accreditation process institutions are required to prepare a self-evaluation report, or SER.

ACCSC's staff and on-site evaluators review the institutions SER and evaluate program length against our standards, such as the clock hour to credit hour conversion formula. If there is an issue presented on program length or on other outcomes measures, such as graduation or employment rates for example, we might require the institution to prepare a program viability study, which requires a showing that the program is appropriately designed to meet the needs of the employment market. If an institution is not able to make this showing ACCSC has several institutional and programmatic actions available to remediate or correct poor performance or to deny or revoke accreditation.

ACCSC believes there is a direct link between the evaluation of program and length and student learning and achievement outcomes at an institution. We therefore tightly align our student achievement standards to the program objective standards. We view our graduation and employment rates benchmarks as tools to identify issues such as an appropriate program length and to then develop institutional improvement mechanisms as a means to enhance institutional and student success.

In conclusion, ACCSC believes that its standards represent exemplary practices in the areas of program length, program objectives, and student achievement measures for the kinds of institutions it accredits. We do not intend to suggest that our standards could or should be applied to every institution of higher education. Our standards work because they have been developed in a peer review environment that is committed to institutional and student success.

Accreditors should continue to be relied upon to establish these standards in conjunction with their institutions, keeping in mind the best interests of students. Thus, federal law and regulation should also continue to rely with confidence on professional accreditors and refrain from overly-prescriptive requirements that may, albeit unintentionally, stifle flexibility and innovation.

Thank you. I will be happy to answer any questions.

[The statement of Mr. McComis follows:]

**Prepared Statement of Dr. Michale S. McComis, Executive Director,
Accrediting Commission of Career Schools and Colleges**

Thank you for the opportunity to testify. My name is Michale McComis and I am the Executive Director of the Accrediting Commission of Career Schools and Colleges (ACCSC). I am honored to appear before the Committee this morning to discuss the important issue of program length in higher education. I hope to provide the Committee information about ACCSC's standards and accreditation process in this area, but also to provide you our perspective on the role of accreditation in higher education more generally.

ACCSC is a private, non-profit independent accrediting agency recognized by the Secretary of Education continually since 1967. It is a national agency in scope that currently accredits 789 institutions with over 250,000 students throughout the country. These institutions are predominantly private sector, career-oriented institutions, offering programs at the non-degree, Associates Degree, Bachelors Degree, and Masters Degree levels. They prepare students for trade and technical careers in many areas including allied health, nursing, information technology, automotive technology, commercial art, and unique areas such as horology, luthiery, and yacht building and restoration.

ACCSC's primary mission is to serve as a reliable authority on educational quality and to promote enhanced opportunities for students. To meet its mission, the Commission has a values-based framework for accrediting focused on integrity, accountability, continuous improvement, open communication and teamwork. My tenure

with ACCSC began in 1994, becoming its Executive Director in 2008. I have recently served on two of the Department of Education's negotiated rulemaking panels—the 2009 Accreditation Panel and the 2010 Program Integrity Panel—to help establish regulations pursuant to the legislative provisions of the Higher Education Act (HEA).

Summary of Testimony

My testimony is divided into two primary parts. First, I will spend a few minutes placing the issue of program length in the broader context of our higher education system and regulatory structure. It is important to provide a bit of background regarding the need for continued reliance on the regulatory “triad” that provides the student funding and quality-assurance mechanisms for our institutions of higher education. I will speak briefly on how the flexibility of this regulatory structure has helped to support and encourage innovation and diversity in our institutions and their programs and teaching methods. In the context of program length specifically, I will discuss the relationship between the importance of determining the appropriate length of a program, the value of credits provided, and the assessment of student achievement.

The second and most important part of my testimony will provide the Committee with a summary of ACCSC's standards on program length and its process for reviewing institutions generally, and with regard to program length in particular. ACCSC takes pride in the manner by which it has adapted its standards and process to account for the types of institutions and programs that it accredits. I also would like to discuss with the Committee how our standards on program length and credit hour directly relate to our assessments of student achievement at our institutions.

The Broader Context of Higher Education Policy, Accreditation and the Evaluation of Program Length

It is important to take a minute to put the narrow issue of accreditation standards on program length into the broader context of today's higher education system. Today, the number of “non-traditional” students seeking higher education is steadily on the rise, the majority of whom are working adults. While a traditional liberal arts education at an on-ground institution continues to be an important goal for many students graduating from high school, many other non-traditional students are enrolling in career-oriented programs. Moreover, students are increasingly enrolling on a part-time basis or online to accommodate their work schedules or other family commitments.

Given the growing demographic of career-focused, adult learners, the higher education community must continue to adapt and innovate in order to accommodate the diversity represented in its student body. The higher education community itself is also diverse and is defined by a broad selection of institutions and programs that range from short-term, non-degree programs to four-year liberal arts programs, to graduate level programs in hundreds of different academic areas, taught at institutions both on-ground and on-line. With this rich variety, there is not, and should not be, a one-size, fits all means by which to define or analyze program length or the credits provided by an institution; however, evaluating the continued value provided by an institution's programs remains extremely important.

As higher education takes a more diverse shape, ensuring the quality and integrity of these institutions and their programs continues to be a paramount concern and historically the primary responsibility of accrediting agencies and the schools they accredit. Unlike federal and state governments, accrediting agencies are private, independent entities, focused on establishing standards and assessing their member institutions in relation to those standards on a peer-review basis and as such are the best resource for making determinations related to educational quality.

Despite the independent, private nature of accreditation, accrediting agencies have been linked to the federal government since the Congress established the Higher Education Act 45 years ago. In this regard, accreditation has played an essential role in institutional and programmatic quality assurance and has served as an essential component of the regulatory “triad” in partnership with federal and state governments for the regulatory oversight of higher education institutions. Institutions eligible for Title IV funds must be accredited by an accrediting agency recognized by the U.S. Secretary of Education and the Higher Education Act created a structure for this recognition process. Included in the Act and regulations are criteria which all accrediting agencies must include in their accreditation standards. One of these criteria requires standards that assess an institution's measures of program length and the objectives of the degrees or credentials offered.

The Act is written in a manner that respects an accrediting agency's independence and the need for flexibility to shape standards and processes in a manner that accounts for the types of schools and programs that it accredits. Concordantly, it is important that the Act's accompanying regulations continue to also provide this flexibility. With regard to the issue of program length in particular, the above overview of the diversity of the higher education community demonstrates the importance of avoiding prescriptive federal regulations that might prevent institutions from meeting the increasing demand for innovation and diversity in the academic programs offered. Moreover, as I pointed out during the Program Integrity Negotiated Rulemaking session, the need for flexibility in regulatory language regarding the definition of a credit hour is important because regulatory definitions, particularly narrow definitions, have the tendency to become entrenched rules such that creative yet equally effective approaches or even more rigorous approaches are not considered or are seen as suspect. As I demonstrate in the next section of my testimony, the current flexibility in the Higher Education Act has enabled my agency, ACCSC, to write standards and create processes that measure program length and credit hours, and that seek to define program objectives in a manner that makes the best sense for the types of programs and institutions that the agency accredits. The current NPRM regarding the definition of a credit hour would relegate our rather rigorous requirements to an "other" category in the regulations potentially exacerbating the difficulty that students attending our schools already have in the area of transfer of credit.

ACCSC's Standards and Processes to Evaluate Program Length and Credit Hour

The ACCSC Standards of Accreditation and accreditation process emphasize educational quality by focusing on outcomes. What actually happens as a consequence of the teaching-learning processes in a school and what is the evidence of these results? Given the stated purposes of the school and its documented outcomes, can the school be judged as meeting standards of quality compared with similar institutions? Does the accreditation process help the school to evaluate and improve its student achievement outcomes and hence its quality? Such questions are the primary focus of ACCSC as the Commission conducts its work.

Our Standards

In addition to having standards and processes to examine institutional inputs, ACCSC has outcomes-based standards, including graduation and employment rates, which the agency uses in its assessment process. In short, the Commission is concerned about institutional operations and how those contribute to student achievement outcomes related to the attainment and application in the workplace of skills, knowledge, and competencies.

Our standards on program length are necessarily linked to our standards on student achievement; none of our standards is utilized in isolation. ACCSC strives for a "whole school" assessment process whereby the appropriateness of an institution's operational and education inputs can be evaluated in the context of student achievement outcomes. Each component of the school (e.g., admissions requirement and recruiting, program design and curriculum, student services, the quality of the administration and faculty, the inclusion of the employment community in curriculum development and assessment, etc.) has a role to play and an impact on the overall success of an institution and the success of students. In the area of program length and objectives, ACCSC has more than 20 standards that address these areas directly (see Appendices I and II) and several more that do so tangentially.

Our primary standards in this area require our institutions to demonstrate that the length of each of their programs enable students to achieve their learning objectives. In the event a school has programs that vary from comparable programs, our standards require an institution to justify that variant length. As a standard measure for program length, ACCSC uses a straight clock hour to credit our conversion shown below:

Semester Credit Hours:

- One semester credit hour for at least 15 hours of classroom contact; or
- One semester credit hour for at least 30 hours of supervised laboratory/shop instruction; or
- One semester credit hour for at least 30 hours of documented independent study activities; or
- One semester credit hour for not fewer than 45 hours of externship/internship or work-related experience.

Quarter Credit Hours:

- One quarter credit hour for at least ten hours of classroom contact; or

- One quarter credit hour for at least 20 hours of supervised laboratory/shop instruction; or
- One quarter credit hour for at least 20 hours of documented independent study activities; or
- One quarter credit hour for not fewer than 30 hours of externship/internship or work-related experience.

Outside preparation is not considered in the conversion of clock hours to credit hours. In addition to ACCSC's formula for conversion, institutions are required to comply with applicable state and federal regulations related to clock-to-credit hour conversions.

In addition to these standards, additional standards on program length require:

- Institutions to have an independent program advisory committee review and comment on program length;
- Minimum and maximum credit hour length for degree programs;
- Comparability of distance education to residential programs; and
- A justification and validation for any deviation from established clock-to-credit hour conversions in distance education programs.

Our Processes

Our standards are only as good as the process by which we measure our institutions against them. We, therefore, have a multistep process by which we look at an institution's program length. To prepare for the re-accreditation process, institutions are required to prepare a Self-Evaluation Report (SER). ACCSC's SER instructions requires institutions to demonstrate how their programs meet our standards, i.e., we require an explanation of how the school has determined that the length of each program offered is appropriate to enable students to achieve the program objectives. Institutions that do not meet our standards, i.e., their program length is not comparable to similar programs, are required to justify their program's length.

Even before our evaluators visit an institution for re-accreditation, ACCSC staff will review the institution's SER and evaluate program lengths against our standards, such as the clock to credit hour conversion formula. When our evaluators visit an institution, they review the institution's response to the SER and make assessments regarding a school's compliance with those standards. Each on-site evaluation team is comprised of an education specialist and occupation specialist who work together to make assessments regarding the appropriateness of a program taking into account the institution's assertions, the review by an independent Program Advisory Committee, student feedback, and student achievement outcomes. If there is an issue presented on program length or on other outcomes measures, such as graduation or employment rates, for example, ACCSC might require the institution to prepare a Program Validation Study, which would require an institution to show that the program is appropriately designed (e.g., program length) to meet the needs of the employment market. If an institution is not able to make this showing, ACCSC has several institutional and programmatic actions available to remediate or correct poor performance.

For institutions seeking initial accreditation, we likewise require them to complete a detailed SER, provide a demonstration of compliance with our program length standards, and undergo an on-site evaluation. If a school is unable to demonstrate programmatic success via student achievement outcomes, the Commission will likely defer granting initial accrediting until a showing of compliance is made or if the institution is unable to demonstrate compliance after given an sufficient opportunity to do so, the Commission will deny the school's application.

Between accreditation cycles, ACCSC has a robust program approval process. Every program offered by an institution must be approved by the Commission before the program can be offered. The program applications require an institution to justify the implementation of a new program, show that the curriculum and length has been reviewed by an external employment community Program Advisory Committee, and show that the program meets ACCSC's clock hour to credit hour conversions.

Connection to Student Achievement

As I have stated, we believe that the evaluation of program length is linked to our evaluation of student learning and outcomes at an institutions. We therefore tightly align our student achievement standards to the program objective standards, including program length, at our institutions. We view our graduation rate and employment rate benchmarks as tools to identify issues, such as inappropriate program length or objectives, and to then develop institutional improvement objectives as a means to enhance institutional and student success. I include Appendix II for further detail of our student learning and achievement outcomes standards.

In the area of student learning and achievement outcomes, ACCSC requires that:

- Student learning outcomes for each program are consistent with the program objectives and meet any relevant academic, occupational, or regulatory requirements;
- Student learning outcomes for each program are aligned with the program's objectives, the occupational area of study, and with the level of education intended (e.g., non-degree, degree, degree level);
- Student learning outcomes for each program reflect the necessary occupational and academic knowledge, skills, and competencies as applicable;
- The school has a developed and structured process to assess and evaluate the defined student learning outcomes;
- The school must demonstrate successful student achievement by documenting through its assessment practices that students are acquiring the knowledge, skills, and competencies intended by the program objectives; and
- The school must demonstrate successful student achievement by maintaining acceptable rates of student graduation and employment in the career field for which the school provided education.

Conclusion

ACCSC believes that its standards represent exemplary practices in the areas of program length, program objectives, and student achievement measures for the kinds of institutions it accredits. ACCSC does not intend to suggest that its standards could or should be applied to every institution of higher education, but instead to show that rigorous standards can be and have been developed in the areas being addressed by this hearing. ACCSC's standards work because they have been developed in a peer review environment that is committed to institutional and student success. Accreditors can and should continue to be relied upon to establish these standards in conjunction with their institutions keeping in mind the best interest of students. Thus, federal law and regulation should also continue its historical reliance on professional accreditors to make the appropriate assessments with its institutions and to refrain from overly prescriptive requirements that may, albeit unintentionally, stifle flexibility and innovation.

APPENDIX I.—ACCSC PROGRAM LENGTH AND OBJECTIVES STANDARDS

The length of each program offered by the school is appropriate to enable students to achieve the program objectives and to acquire the knowledge, skills, and competencies necessary for initial employment in the field for which training is provided. Schools that have or apply for programs that appear to be significantly shorter or longer in clock or credit hours than comparable programs (i.e., within the same field of study) will be required to justify the appropriateness of the program length (Section II (A)(2)(a), Substantive Standards, Standards of Accreditation).

For every program, there are detailed and organized instructional outlines and course syllabi showing a scope and sequence of subject matter sufficient to achieve the program objectives and to acquire the necessary knowledge, skills, and competencies. Programs include the appropriate number of lecture hours and, as applicable, the appropriate number of laboratory/shop and/or externship hours necessary to achieve the program objectives (Section II (A)(2)(b), Substantive Standards, Standards of Accreditation).

Each school must have an independent Program Advisory Committee for each program area, and the committee reviews and comments at least annually on the established curriculum of the program and comments as to the appropriateness and adequacy of the program objectives, program length, curriculum content, learning resources, and the adequacy of facilities and equipment (Section II (A)(5)(e)(i), Substantive Standards, Standards of Accreditation).

Degree programs are measured in semester credit hours or the equivalent quarter hours (refer to the Profile of Clock Hour to Credit Hour Conversion form), include the appropriate number of lecture hours and, as applicable, the appropriate number of laboratory and/or externship hours necessary to achieve the program objectives. Degree programs must be comprised of courses with content that is appropriate to the level and type of degree awarded (Section II (B)(1)(b), Substantive Standards, Standards of Accreditation).

An associate degree program must be a minimum of 60 semester hours or 90 quarter hours and a minimum of two academic years. Associate degree programs may not exceed by more than 50% the minimum number of credit hours required to confer the degree by the appropriate regulatory agency in the state(s) in which the school operates. If such minimums have not been established, then generally accepted practices in higher education shall apply. (Section II (B)(2)(b), Substantive Standards, Standards of Accreditation).

A baccalaureate degree program must be designed and offered in a way that appropriately balances distinct types of education and training (i.e., technical and occupationally related courses and general education courses) and distinct levels of education and training (i.e., lower level and upper level courses), and must include a comprehensive curriculum with appropriate coursework to achieve the program objectives. (Section II (B)(3)(a), Substantive Standards, Standards of Accreditation).

A baccalaureate degree program must be a minimum of 120 semester hours or 180 quarter hours and a minimum of four academic years. Baccalaureate degree programs may not exceed by more than 50% the minimum number of credit hours required to confer the degree by the appropriate regulatory agency in the state(s) in which the school operates. If such minimums have not been established, then generally accepted practices in higher education shall apply (Section II (B)(3)(b), Substantive Standards, Standards of Accreditation).

The length of a master's degree must be appropriate to enable students to achieve the required competencies and skills for employment or advancement in the field for which training is provided (Section II (B)(4)(b)(i), Substantive Standards, Standards of Accreditation).

A master's degree program must be designed and offered in a way that provides for a distinct level of education and fosters independent learning and an understanding of research methods appropriate to the academic discipline. Graduate level courses must be based on appropriate pre-requisites and learning outcomes and expectations must be clearly stated to students (Section II (B)(4)(b)(ii), Substantive Standards, Standards of Accreditation).

Master's degree programs must include a minimum of 30 semester hours or 45 quarter hours. At least 24 semester hours or 36 quarter hours must be in the technical field for which the degree is awarded (Section II (B)(4)(b)(iii), Substantive Standards, Standards of Accreditation).

ESL program length must be between 600 and 900 clock hours or the equivalent credit hours (Section II (C)(2)(f), Substantive Standards, Standards of Accreditation).

The length of the distance education programs and courses of study must meet all necessary requirements outlined in Section II (A)(1), Substantive Standards, Standards of Accreditation (Section IX (C)(1), Substantive Standards, Standards of Accreditation).

The school must demonstrate that the content and length of a distance education program or course of study are comparable to residential programs. The school must justify and provide validation for any deviation from established clock-to-credit hour conversions, if applicable (Section IX (C)(2), Substantive Standards, Standards of Accreditation).

APPENDIX II.—ACCSC STUDENT LEARNING AND ACHIEVEMENT STANDARDS

Student learning outcomes for each program are consistent with the program objectives defined by the institution's program design and development process and meet any relevant academic, occupational, or regulatory requirements (Section VII (A)(1)(a), Substantive Standards, Standards of Accreditation).

Student learning outcomes for each program are aligned with the program's objectives, the occupational area of study, and with the level of education intended (e.g., non-degree, degree, degree level) (Section VII (A)(1)(b), Substantive Standards, Standards of Accreditation).

Student learning outcomes for each program reflect the necessary occupational and academic knowledge, skills, and competencies as applicable (Section VII (A)(1)(c), Substantive Standards, Standards of Accreditation).

The school has a developed and structured process to assess and evaluate the defined student learning outcomes of the education and training and established competencies (e.g., the application of knowledge and skills to the standard of performance articulated in the program objectives and as expected in the workplace). This process may include a variety and combination of methods such as grading, portfolio assessment, and criterion referenced testing based on developed and appropriate rubrics (Section VII (A)(2)(a), Substantive Standards, Standards of Accreditation).

The school demonstrates successful student achievement by documenting through its assessment practices that students are acquiring the knowledge, skills, and competencies intended by the program objectives (Section VII (B)(1)(a), Substantive Standards, Standards of Accreditation).

The school demonstrates successful student achievement by maintaining acceptable rates of student graduation and employment in the career field for which the school provided education. The school supports these rates through student transcripts, the school's verifiable records of initial employment of its graduates, or other

verifiable documentation (Section VII (B)(1)(b), Substantive Standards, Standards of Accreditation).

ACCSC Student Achievement Benchmarks

ESTABLISHED BENCHMARK GRADUATION RATES

Program Length in Months	Average Rates of Graduation Demonstrates Acceptable Student Achievement	Standard Deviation	Established Benchmark Graduation Rates*
1-3	92%	8%	84%
4-6	82%	13%	69%
7-9	69%	14%	55%
10-12	69%	15%	54%
13-15	61%	16%	45%
16-18	59%	17%	42%
19-24	56%	20%	36%
25-35	55%	22%	33%
36+	47%	15%	32%

*If a school reports a lower graduation rate for a program, that program will be subject to additional monitoring or reporting as deemed appropriate.

ESTABLISHED BENCHMARK EMPLOYMENT RATE

	Average Rate of Employment Demonstrates Acceptable Student Achievement	Standard Deviation	Established Benchmark Employment Rate*
All Programs	82%	12%	70%

*If a school reports a lower employment rate for a program, that program will be subject to additional monitoring or reporting as deemed appropriate.

Chairman MILLER. Thank you very much to all three of you for your testimony.

This is an attempt to set the stage, not so much an attempt to inflame the debate. As I understand it, when—Ms. Manning, when your—is it Dr. Manning or Ms. Manning?

Ms. MANNING. It is both. I am quite happy with Mrs., which is the hardest one to get. [Laughter.]

Chairman MILLER. Now I am stumped. [Laughter.]

Ms. MANNING. I am sorry.

Chairman MILLER. You stump the chump and you win every time.

Okay. Ms. Manning—where am I?—as I understand it, when your accrediting team went out and looked at AIU, which is American Intercontinental University, when they looked through the courses I think both at the master's level and at the undergraduate level, if you will, during that process they came away with the conclusion that there was inflation of course credit unit hours being awarded to some of those courses.

There was a setup by which you would take nine units over a 10-week period, and when they looked, apparently, both at the content and at what would be required for a full-time working student, which many at the university or most at the university were, to do that it just didn't add up that you could get all of that in in that period of time. Is that a fair summation, not on every detail, but—

Ms. MANNING. Yes, I think it was. This was a subset of the courses—

Chairman MILLER. And they made a finding, I think, that caught the inspector general's—which, in fact, said that they felt that this was egregious when they compared it to common practices in other institutions from which they may have come from or they had experience in the accrediting process. Is that fair?

Ms. MANNING. That is exactly the word they used.

Chairman MILLER. Okay. But I mean, is they were comparing it to their experience as accreditors and as, in some cases, professors, or—I don't know what the team is made up of—their experience in higher education, if you will, both in the for-profit and nonprofit world?

Ms. MANNING. Yes.

Chairman MILLER. Okay.

And the inspector general, as I understand, your concern was after making this finding the accreditation went forward—you say, I believe—without limitations put on it. But your review came after this fact pattern took place because you were doing a greater review of various different types of accrediting agencies to get a picture?

Ms. TIGHE. Yes, that is correct.

Chairman MILLER. Okay.

And Ms. Manning, you said during your testimony that this problem was raised, you went back, you had a second visit, you had meetings, and you think it was addressed. Is that fair to say?

Ms. MANNING. Correct.

Chairman MILLER. Okay. So that is sort of the fact pattern.

So what caught my attention in this is that in this discussion of back and forth was the inspector general raising the point that Title IV resources are released to students—loans, Pell Grants—are released to students based upon whether they are in full-time status or part-time status, and that is measured by credit hours. And that is based upon an old system which we call the Carnegie system, which was based upon sort of seat-time—you had three hours for three units, which said that you were an hour a week in the class or 2 hours a week in class, and that corresponded to time outside the class, whether it is 2 hours or an hour and a half for each hour that you were in the classroom. Is that close?

Ms. MANNING. Yes.

Chairman MILLER. This is the best I have ever done with a professor. [Laughter.]

And is that fair, Ms. Tighe?

Ms. TIGHE. Our concern was that the team made certain estimations of the credit policy at AIU, and as you stated earlier, that the Higher Learning Commission did not take really any action other than proceed to accreditation, notwithstanding the estimation of the team that the certain classes were over-inflated in credit—

Chairman MILLER. Do you think they had it kind of backwards—they should have not provided accreditation, fix the problem, and then decided whether or not to accredit?

Ms. TIGHE. Or at least while reviewing or before deciding on accreditation, yes, take certain actions to fix those qualms.

Chairman MILLER. Okay.

Let me, if I might—and correct me where I am wrong—but my understanding is that regarding this nine-unit course over a 10-

week period of time, both the accreditors and the Inspector General's Office looked at this and said, "This is too many units"—I think I am correct saying—"This really corresponds to what a three-unit class would be under common circumstances."

Ms. TIGHE. That is what the team concluded.

Chairman MILLER. That is what the team concluded. Did you conclude differently, or did you have the ability to conclude, Inspector General?

Ms. TIGHE. We did not make—we did not review the courses ourselves—

Chairman MILLER. Okay. You just reviewed what they were finding—

Ms. TIGHE [continuing]. Reviewed the team report, yes.

Chairman MILLER. So, Ms. Manning?

Ms. MANNING. That was the point I wanted to make. The inflation, also, even in the initial team report, was not that great. They were looking at a subset of courses, and these are quarter units, and they said instead of nine it probably should have been somewhere around four-and-a-half, but they were never that precise.

And let me just add one more point, if I may, which is that our reports are divided into two sections, and one is assurance or compliance, and the other is improvement. That detail is in the improvement section, and it is in the improvement section in large part because it is really not crystal clear whether a course should be nine credits, or eight credits, or six-and-a-half credits. What they were trying to point to was that there is something wrong here and it needs to be looked at and fixed.

Chairman MILLER. Here is my concern: I know it is not crystal clear and I respect the tradition of accreditation. And so you could say, reasonable people could differ whether this is worth three units, four units, or nine units—apparently not nine units, but if you get to six; there was a little bit of discussion of six to three.

But as a student, when I sign up for a nine-unit course at this university at the master's level, those nine units cost me \$5,517. Some of that is grants directly from the taxpayer; some of that is loans.

If that course is worth three units it costs me \$1,839. All of a sudden that unit becomes very important, and I think it becomes very important because we are now dealing with education for profit, and that extra unit, repeated 500 times throughout the year for 500 students taking that class, is worth a lot of money, and repeated 1,000 times, and 10,000 times is worth a lot of money, this was sort of the structure, I think, of AIU, you take these nine-unit courses and, as we heard on another discussion, if you could get this rotation 10 times a year it was worth real money.

I am not saying that is why it is done, but I am saying all of a sudden this discussion between you and the I.G. about minimum—

And, Mr. McComis, I set you aside a little bit because you have a more specific question about outcomes that you measure your schools on. I am not leaving you out of this discussion, but—

Mr. MCCOMIS. Thank you. [Laughter.]

Chairman MILLER. So you start to see the problem for a member of Congress is, and this is a very touchy situation. I understand

that. I am not sure George Miller should be deciding what is the value here, but that question somebody has to think about because this turns out to be billions of dollars if we are wrong that are being expended, and this is a program that we struggle every year to meet the appropriations for in this Congress.

So that \$3,600 difference for that course regime—if your accreditors were right and it was worth three as opposed to nine—that \$3,600 is valuable to the student, to the taxpayer. So I don't have the answer on how you deal with this, but I think when you understand that for an institution that is in some cases publicly-held, some cases closely-held, privately-held institutions—this question of how you assign credit units now becomes part not so much of an academic plan, necessarily, but also of a business plan.

And I would just raise the question—and I just raise it as a question; I am sure there will be lots of different answers—what is the impact of accreditors going up and thinking about unit hours and the rest of this—or outcomes, however you want to measure it—in light of aggressive business plans, which is somewhat different?

Now, you can argue that the traditional universities are sitting on their haunches awarding three hours because they have always awarded three hours—it makes no difference to them because the taxpayers are footing a big chunk of the bill to keep the institutions going—maybe they should be awarding four hours, maybe they should be recognizing other components of this. You know, we know this catfight back and forth about traditionals versus new, and online, and innovative, and the rest of it.

So I am not trying to cast it, but all of a sudden when—what caught my attention here was that difference in six units is huge across the nation. Now again, this practice was found by your accreditors not to be conforming either to what they experienced in traditional or online or for-profit institutions, however they deliver their course material, or the hybrid, both seat time and online time.

So it jumps out, but I think in some cases they are still doing this. Now maybe because of the accreditation the nine units is all of a sudden worth nine units, but this is, to me, a very difficult question that is now—that has been raised by this series of events for the Congress of the United States.

We have about \$100 billion out there on the street. The schools under your accreditation are about \$24 billion a year. The schools that you reviewed, Inspector General, were about \$60 billion a year in combinations of student loans, you know, underwritten by the taxpayers, and Pell Grants, and other assistance that is available.

So the consequence, I mean, the outcome of this discussion—I don't want to turn this into a debate; I don't want to turn this into finger-pointing, but I just want to put it in this context, which I think is something we have to recognize.

You know, I try to think that I have sort of embraced the policies on education of disruptive innovators. I mean, I think that is healthy for the whole system and I think we have such great opportunities now with technology to deliver education to people where they need it, how they want it, how they can understand—you know, all of the things that we know about that.

But this question of how you assign value—and I have a couple of minutes left, and I would just like you, if you might, both of you—or all three of you, Mr. McComis, if you want to—is just how you respond to is this something that is now just accounted for and I am out of sequence for, or what are we doing here?

Ms. TIGHE. Well, can I just interject a moment, is that I think you have certainly hit on the range of our concerns, is that ultimately it is about what the student is paying for and what, then, the taxpayer is covering for that student. And I think our particular concern in this case was that there wasn't an effort to immediately mitigate the harm in that students were allowed to continue to enroll in these courses, thus incurring, you know—the problem continuing.

Chairman MILLER. Sure.

Ms. Manning?

Ms. MANNING. I don't want to spend too much time dealing with the technicalities, but because this is on the record and because it refers to a specific institution I do want to clarify one point. It also is a point that shows how messy this issue of credit values is.

There is talk about nine units and there is talk about three units. The problem is that the nine units is measured in what are called quarter units, and the three units in semester units. And so if you put them in the same matrix it is six versus three or it is nine versus four-and-a-half. And I say that, again, only for the benefit of the institution where this is being publicly recorded.

Let me say, though, that this demonstrates how messy and complex the issue is. And I want to go back to your point, Chairman Miller, also, about the—there is an academic plan and an academic purpose, but there is also a business plan, and how these perhaps come into conflict with each other, and how an academic plan can be manipulated to the benefit of a business plan.

I want to tell you that we share these concerns profoundly, that these are concerns that have appeared on the scene of higher education in less than 10 years, have been significant in perhaps 5 years, and so that one of the challenges for accreditation has been to develop the tools for us in order to be able to understand this, to manage it, and to apply appropriate standards. And I believe that we have worked very hard in the last 2 years precisely to develop those tools and that we have done a good job. The proof will be in the pudding, and the pudding is yet to come.

We are very concerned about what students are paying for. When we took that action we knew that we were looking at a subset of course, and we knew something, and I think this is really important: There are two ways in which credit value can be wrong. One of them is that a student is in class for 45 hours and does 90 hours of homework and gets three credits and it is junk; the other way is that a student is in class and gets three credits and should only have gotten two credits. I think there is a huge difference there.

In this case we knew that it wasn't junk. The question was, can students learn this within the timeframe?

What actually was happening was that they were taking these nine units in 5 weeks, and what our teams discovered is that students couldn't possibly be learning all this in 5 weeks. It is acceptable stuff; it meets industry standards. You can't do it in 5 weeks.

The way the institution has remediated the program—the problem—is they have split it in two. These are now two four-and-a-half-credit courses but they are over a 10-week period.

So it is not that we didn't take any action. We actually demanded this immediate remediation. And when we got up there to look at it the institution was ahead of us. They had actually gone further than we had required. And I think that is testimony to the effectiveness of a warning or threat from an accrediting agency.

And at the end of the day if we had not accredited this institution they would have walked away. They were already accredited. They would have gone on getting Title IV funds. But it is not—it is certain that at the rate that we got it the problem would not have been identified and corrected.

And instead of putting a bunch of students in the midst of their programs in the situation of being at an unaccredited institution and having a degree of significantly less value, what we did was that we took the situation that was there and we remedied it, and we took it very seriously, and we continue to take these instances very seriously.

Chairman MILLER. Thank you.

Mr. McComis?

For the members, I am using Mr. Guthrie's time at this time.

You have been very generous with your time.

Mr. McComis, if you have a comment?

Mr. McCOMIS. So I can't speak to the specific—

Chairman MILLER. No, no. I understand that.

Mr. McCOMIS [continuing]. But we, too, find what the—Chairman Miller, what you are describing is course or program stretching, and our board has long felt very strongly about that particular issue, and it is one of the leading reasons why they have created this multilayered approach to assessment that includes with it a very straight clock hour to credit hour conversion for the development of that, but also a demonstration by institutions through student learning and student achievement outcomes, and external review and comment by employment community program advisory committees to really look at the design of a program and that it is appropriate for that student in terms of the length. We have particular cases where we have taken action against institutions that we felt like the program was too long, or in some instances too short.

Chairman MILLER. Thank you.

Ms. Tighe, did you have anything else that you wanted to add, because I am going to turn it over to Mr. Guthrie? Did you have—or are you fine? Okay. Thank you.

Thank you, Mr. Guthrie.

Mr. GUTHRIE. Thank you, Mr. Chairman. And I agree in line with a lot of your comments, just what you made previously. We have to figure out—there is a lot of money involved and it is our responsibility, as I said in my opening statement, for the taxpayers and what is happening with their money. It is our job, so we appreciate that.

And I appreciate the I.G.'s report. I appreciate what you have presented for us.

And first, to Mr.—Dr. McComis—you know, in your written testimony—because we are trying to figure out how to handle this, I guess, and one thing that we are seeing is the department is coming out with a proposed rule on defining credit hour in the federal regulations. And can you talk a little bit more about—I think, you know, your—my understanding in your written testimony there could be some harms that could come about by a federal definition of credit hour. Could you elaborate on that?

Mr. MCCOMIS. So, as I indicated in my oral testimony as well, during negotiated rulemaking one of the points that I tried to make relative to the definition that was first presented by the department was simply that the use of the Carnegie Unit as the primary definition would relegate our straight clock hour to credit hour conversion formula into the other category that they provide—I think the language is somewhere along the lines of other comparable methods for determining the length of a program or the definition of a credit hour.

The issue with that is once you begin looking at transfer of credit issues it is, “Well, your institutions don’t offer units that are defined by this Carnegie Unit and so therefore they can’t be transferrable,” when I think that actually our credits are more rigorous because they don’t allow for outside preparation. It is, again, largely our institutions are career-oriented and much of that work has to be done in the classroom, and in the lab, and on externship.

So the narrow definition, I think, could, you know, maybe unintentionally, stifle the opportunity for students to be able to transfer those credits. That was the point that I was trying to make.

Mr. GUTHRIE. And one of the concerns would be—is that if we are paying just for credit hour—I understand that that could be manipulated—but if you are paying for credit hour you are not necessarily paying for the outcome, and you measure the outcomes. And how, in your accreditation process, when you look at outcomes, can you go back and see that maybe credits were misallocated or misawarded, so—by checking—not just looking at the credit hours, you look at the outcomes, and from the outcomes or the quality you say you can go back and say that credit has been—credit hours have not been allocated properly, which is a way of catching a problem, too.

Mr. MCCOMIS. Sure. So the way that we utilize our student achievement outcome benchmarks is to identify potential problems, and when a particular program—because we do it by program, not by institution—when a particular program begins to demonstrate either lower graduation rates or employment rates that fall below those benchmarks we begin to do a—require the institution to start talking to us about the viability of their program, or efficacy of their efforts to improve retention, or graduation, or employment, and try to identify the root cause of those lower outcomes.

Traditionally what we would see is that if a program, you know, was too long in length that graduation rates might suffer; if it was too short in length employment rates might suffer because the students are not attaining the necessary competencies. So we are looking to really identify that optimal balance between the program design and content with student achievement outcomes.

Mr. GUTHRIE. Okay. Thank you.

And then, Ms. Manning—or Dr. Manning—can you describe what processes you have in place to ensure that your peer review teams—and how you evaluate institutions to ensure that they are assigning proper credit hours? I mean, what process do you use to see if your peer review teams have—what processes do your peer review teams use to ensure the institution is assigning proper credit hours?

Ms. MANNING. In the normal course of a review, not when there has been a problem identified like this one that we were talking about earlier, this is part of the review that is conducted on the adequacy of the student learning. It is also true that in areas where we are required by regulation on behalf of the federal government to look into specific issues we ensure that every team addresses the issues, and with the knowledge that the team will address it the institution is required to address it.

The normal procedure is that you have a team on the campus; it is made up of a number of people with different disciplinary backgrounds. They will sample—from the institution's point of view it is an arbitrary or random sample—courses. They will look at syllabi, they will talk to faculty, they will talk to students, they will look at the program outcomes that have been identified.

We require all our institutions to be engaged in assessment. You can't assess unless you have goals and stated outcomes. We require those for every program on the institution.

We test with a random sample, and that is random, not randomized.

Mr. GUTHRIE. Could you check against—if you say this course in other institutions is typically a three-hour course, this one they are giving a four-hour course? I mean, do you compare across institutions or just within the institution itself?

Ms. MANNING. No, we tend to look at—well, it is looking at the institution itself against a background of the knowledge of the evaluator who is looking at it. The distinction between a three-unit course and a four-unit course is something that I would be very hard put to argue is actually a valid distinction that you can really make. There would be, I think, much greater variation between many three-unit courses at different institutions, or even in different classrooms in the same institution.

Mr. GUTHRIE. Okay. Because I can see a lot of English 101 at one school is three hours, at the next school it is three hours, at the next school it is three hours, but a lot of the issues we are concerned about are nontraditional students and probably nontraditional courses, and that, I mean, that is one of the questions I guess we have to grapple with as we are going.

But before I run out of time I do have one more for Dr. McComis. You said that you look at the outcomes and then you make actions based on the outcomes. What actions can you take? I mean, what point do you leave—if you find that you have a program you say is of low quality or not meeting the quality, what actions do you take as an accrediting agency?

Mr. MCCOMIS. So there are several programmatic and institutional actions that are available to the commission to remediate poor performance in any given program. At the programmatic level, an institution might be placed on reporting, where they will have

to continually go back to the commission and talk to them about their improvement efforts, what have they identified as being some of the root causes for the lower outcomes, whether those are internal or external, whether they are market forces or whether they are internal program content issues.

They will need to work to identify those and then to assess and remediate. When an institution is placed on some form of outcomes reporting there are limitations that are associated with that as well.

From there the actions can certainly escalate to other kinds of programmatic actions if improvement is not made to require an institution to suspend enrollment while an investigation continues, to cease enrollment, or to revoke programmatic approval or distance education approval. Institutional actions would include show-cause orders or probation orders.

And probation orders are important because of the transparency that is associated with them. Our board requires that once you place an institution on probation they have an obligation to tell current and prospective students about that action. It becomes public on our Web site and we also identify that for all federal, state, and other accrediting bodies as well.

Mr. GUTHRIE. What kind of frequency for that final—the one you just described, what kind of frequency—you have, what, 700—over 700 schools you—

Mr. MCCOMIS. We do, yes.

Mr. GUTHRIE. Okay, how many would be on this—

Mr. MCCOMIS. On probation at any given time?

Mr. GUTHRIE. Just public—I don't want you to say it if it is not public.

Mr. MCCOMIS. Maybe 10—five to 10 institutions, for a variety of different reasons.

Mr. GUTHRIE. Okay.

Thank you. That is my question—

Chairman MILLER. Would the gentleman yield for 1 second?

Mr. GUTHRIE. I will yield.

Chairman MILLER. Ms. Manning, you said—and I think you correctly say—it would be very difficult to tell the difference between a three-unit course and a four-unit course—hard for accreditors to do. But this particular institution, that is \$613—1,000 students. That is a lot of money.

This is a problem. I am not making this out that we disagree on this. This is a problem.

Before, for all of the reasons we know, when you are trying to look at common practices across institutions of higher education, and content, and value, and the rest of that, but we now are confronted with this issue that each of those determinations carries a cost to the taxpayer. And yet, I want institutions to be able to set, you know, to set the content and the course and the time that makes sense in terms of what the student is hoping to get out of that course if they enroll in that.

But what we could dismiss in another setting today we have to contemplate how we think about it before we make that determination that it is just a distinction we can't make, because, you know, one of the things we have learned about fees—people learn from

the telecommunications industry, they like to assess a little tiny, tiny fee a billion times a day. And one unit here and one unit there doesn't sound like much, but across this country at these prices, you know—geez, if they did it at Harvard it is worth \$1,600. Think of that.

Mr. Andrews?

Mr. ANDREWS. Sounds a lot like——

Chairman MILLER. Thank you.

Mr. ANDREWS [continuing]. Sounds a lot like 401K fees, Mr. Chairman.

Chairman MILLER. It does seem like it.

Mr. ANDREWS. I would like to thank the chairman for calling this hearing because I think it is part of a broader effort this committee is embarking upon to try to find quality measurements for higher education in the country. A lot of our laws come from an era where there was a consensus about quality, correct or incorrect, and there was a debate about quantity.

I think that the dramatic technological and pedagogical changes that we have undergone have rendered that consensus about quality to be obsolete, and I think that our committee is going to be involved and we need the help with each of you, as witnesses, in conducting an assessment of what quality really means in this new world. And I think this morning's hearing is a great step in that direction.

Ms. Tighe, thank you for the good work that you have done. I want to be clear that your report did not draw any conclusions or distinctions with respect to differences with respect to the ownership of schools involved, right? You didn't find any pattern that would discriminate or distinguish traditional not-for-profits, from publics, from for-profits. Is that right?

Ms. TIGHE. Well, we covered a sample of each kind of school when we looked at each accrediting agency.

Mr. ANDREWS. But there isn't any pattern that would distinguish the results among the three?

Ms. TIGHE. No.

Mr. ANDREWS. Okay.

The second thing I wanted to ask was, in the review of the work that Dr. Manning's agency did you highlighted one particular instance, which we want to talk about in a minute. Were there any other instances of accreditation that you found that called for special highlighting? I understand the basic conclusion was that there was not a definition of the credit hour nor guidance, but were there any other situations of specific school review that you felt the need to call attention to?

Ms. TIGHE. No. In our review of the three accrediting agencies we did not see any other instance like that one.

Mr. ANDREWS. And in the case of Dr. Manning's organization how many accreditations did you look at that they had performed?

Ms. TIGHE. We looked at, for her organization, I think roughly eight different institutions.

Mr. ANDREWS. Okay. So it is one that we are focusing on here out of that eight.

Now, Dr. Manning, I wanted to get the timeline straight on the one that is controversial here. Am I correct that your team visited this school in March of 2009?

Ms. MANNING. Yes.

Mr. ANDREWS. And your team did find this—they did use the word “egregious”?

Ms. MANNING. They did.

Mr. ANDREWS. And the fact pattern that was egregious was that in their judgment coursework that should have been awarded, say, four-and-a-half credits was awarded nine. Is that right?

Ms. MANNING. That is right.

Mr. ANDREWS. Okay. Now, when they discovered that what remedial action—you testified that now what the institution has done is to break that course into two 5-week, four-and-a-half-unit courses, and in your judgment that satisfies the problem. When did the institution do that?

Ms. MANNING. They did that in the course of the fall of 2009.

Mr. ANDREWS. In the fall of 2009. So were there students between the March 2009 review and the fall of 2009 that continued on in this nine-credit course that should have been four-and-a-half?

Ms. MANNING. Yes.

Mr. ANDREWS. Okay. And I don’t mean this as a rhetorical question, but why did your organization choose—as I understand, the remedial measure that you chose was to sort of point this out to the school and encourage them to do something about it. Is that a fair characterization?

Ms. MANNING. I think “encourage” is a soft word.

Mr. ANDREWS. But you didn’t—

Ms. MANNING. We threatened.

Mr. ANDREWS. Okay. But you didn’t withhold their accreditation.

Ms. MANNING. We did not withhold their accreditation.

Mr. ANDREWS. Okay. What was the basis of that—if it is not proprietary or subject to litigation—what was the basis of that remedial judgment? Why didn’t you recommend a suspension or at least an—here is our concern: The records would then show that between the spring of 2009 and sometime in the fall of 2009 students were paying more than they should, taxpayers were paying more than they should. It was evidently corrected by the fall, but why the interim? Why did we permit that interim to occur at all?

Ms. MANNING. You know, I think the—part of this is to see whether it is a question of were they being overcharged or was there a deficit in academic quality in what they were getting. I think that is really the difference. We were saying, “You can’t have learned this much.” It would have been lovely to correct this instantly, but we do not believe that it could have—you can’t correct these things overnight; you have agreements with students.

Mr. ANDREWS. My time is up, so I have this final question: Why didn’t you decide to make their accreditation conditional upon fixing this by some date certain?

Ms. MANNING. Well, in effect we did that. We accredited them, and we told them—

Mr. ANDREWS. But if they had not made this decision voluntarily they would still be accredited, wouldn’t they?

Ms. MANNING. No. If they had not made this decision we would by now have been moving to withdraw their accreditation. We would have——

Mr. ANDREWS. Was it a condition of their accreditation?

Ms. MANNING. We have not had a practice of expressing it as a condition, but we do have a practice of saying, “This must be remediated and you must come back by this date and show us that you have remediated it.”

Mr. ANDREWS. So you are saying it is the functional equivalent thereof?

Ms. MANNING. Yes.

Mr. ANDREWS. Okay.

Thank you, Mr. Chairman.

Ms. TIGHE. Well, I was just going to point out that at the time we did our field work, which was late in the summer of 2009 the remedial measures being instigated by Higher Learning Commission were a requirement of a self-study by AIU and then a focused visit that was scheduled for, actually, this coming school year. Now, I obviously can’t speak to what measures were taken since that time.

Mr. ANDREWS. I understand.

Chairman MILLER. Mr. Hinojosa?

Mr. HINOJOSA. Chairman Miller, thank you for having this critically important hearing on the inspector general’s review of standards and programs linked in higher education. As subcommittee chairman on higher education I am committed to ensuring that our institutions of higher learning and career and technical colleges provide high-quality educational and training programs to all students. The inspector general’s findings are of great concern to me.

At this time I have a question for Inspector General Kathleen Tighe: In your testimony you indicate that the explosion of online education in recent years has made it even more difficult to assign credit hours and assess student achievement. I strongly support the Department of Education’s proposed regulations pertaining the definition of a credit hour.

Tell me, what types of minimum standards should accrediting agencies develop to ensure that students and taxpayers receive what they are paying for?

Ms. TIGHE. Well, I think the most critical standard is the one we have been sort of talking about today, which is the definition of a credit hour. I think that it is not only the vehicle that—you know, the unit that most, you know, institutions use to define—you know, to have students pay for classes, it is how federal student aid gets dispensed, which is ultimately our concern.

And I think it is that definition, which I think in truth we are not looking at it from the perspective of it has to be the Carnegie Unit; I think it can be a flexible definition, and I think that it can take into account student outcomes and the other things. But I think it ultimately is up to accrediting agencies to develop a definition.

Mr. HINOJOSA. Since we see some colleges with quarterly semesters and then others that are the regular semester—and I am not sure about the for-profit colleges—couldn’t we just make everybody be standard on the same length of time?

Ms. TIGHE. Well, I think you could do that, but I think it is probably not necessary to do that. I think that you can have a credit hour mean something and have different program lengths even with that.

Mr. HINOJOSA. Okay.

My next question is to Dr. Manning with the Higher Learning Commission. In your testimony you have underscored the need for accrediting agencies to focus on student learning outcomes. Do you agree with the inspector general that it is necessary for accrediting agencies to have a precise definition of a credit hour and establish minimum requirements for program length in addition to considering learning outcomes?

Ms. MANNING. I think that we can work with a definition of credit hour as has been proposed. Where I think we are skeptical is whether that definition will, in fact, ensure the quality of what a student learns in those hours. And the understanding of what a student should learn not in so many credit hours but in introductory chemistry is something that is well held by the professors of chemistry.

And our argument has simply been that we have not had lax standards because we haven't told them what that is. We have worked on a system where we have brought in people who understand that and who hold institutions to those standards.

And let me just say also, with reference, as well, to Chairman Miller's earlier point: Because this is always a slightly fuzzy area that is another reason why it is so important for us to say, "Minimum standards don't do it." You have got to significantly exceed. We want high quality.

Mr. HINOJOSA. My last question is to Dr. McComis: What are accrediting agencies doing now to ensure that there are minimum graduation rates, placement rates, and licensure rates for the vocational education programs? Address my question for the public colleges versus the for-profit college or university.

Mr. MCCOMIS. So, I can speak most specifically about our agency. We have, since 1998, had quantitative standards for graduation rates and employment rates for each program offered within an institution.

Those rates are calculated—the required benchmarks, thresholds that we use—are calculated through collecting annual data from each program offered by our institutions and aggregating those and coming up with an average and then a standard deviation. The standard deviation represents the benchmark because it represents those—the lowest-performing group within the set of data that we are using.

As I said earlier, we then require each institution to demonstrate that their programs exceed those benchmarks, and if they don't they move into some kind of monitoring mechanism, anywhere from heightened monitoring that, over time, could lead ultimately to some other kind of institutional action, all the way up to revocation of accreditation.

Mr. HINOJOSA. My time has run out. I yield back.

Chairman MILLER. Mr. Petri?

Mr. PETRI. Mr. Chairman, thank you very much. And thank you for scheduling and holding this important hearing.

And, Ms. Tighe, welcome to your new assignment. You have—
Ms. TIGHE. Thank you very much.

Mr. PETRI [continuing]. You have a very big and important job, and I—probably it is basically almost impossible.

I have a lot of concerns about the whole accrediting process. I thought it worked very well when it was voluntary and groups of—on one basis or another—of schools, institutions, would get together for mutual evaluation, and self-help, and setting standards, and helping the public then choose based on that approach.

We built on that when we got into the student loan business, and G.I Bill of Rights, and all of this after World War II thinking that that was a pretty good proxy for quality in one thing and another, and it didn't work very well so we put in a whole new process to look after student loan repayment rates. But anything that we do seems to create a system where people start gaming it.

And as long as we focus on inputs—trying to define an hour or something like what are a credit hour—we are avoiding the fact that we could just give a test to people before they went and after they went and see if they made reasonable progress and fine the school if they didn't, or some simple sort of a thing where you actually—because different classes are going to have different requirements, and as you said, distance learning, and the 101 different ways around this. It is basically never going to happen.

And even in accrediting, when I meet with the accreditors with the schools in my district what they say is, "We are so different. We are accreditors. We define what our objective is and they try to measure us on basically how we achieve the objectives we have defined." And so that is kind of a circular thing, and what it has to do with quality or anything else is beyond me. So I don't know if you have any observation on that.

And the other area we are wrestling with as a committee is the 90-10 rule, and what if people are gaming it. And it turns out, evidently that applies over a very short period of the repayment of loans, meaning we should have a longer period and we should look at if these proprietary or other schools are giving other aid to students and then they are using it to come within the 90-10 rule—is that really what we are talking about? It is a huge problem, and we are going to have to get a handle on it or we are going to have another big mess on our hands.

Ms. TIGHE. We would agree. I mean, we are obviously always looking to—I mean, that is part of our job is looking to people who game the system.

I think as far as your first point, I think, you know—yes, I think one theoretically could just give a test at the beginning and then measure, you know, academic engagement and student, you know, learning on that basis. The problem is, I think that is a difficult way to dispense, you know, federal student aid.

And for better or for worse the way we do that is by credit hour, and I think it ought to have some meaning to the student and to the taxpayer that is somewhat—that both allows for innovation in learning, but yet gives some minimum requirement. And, you know, that is sort of, you know, why we went in and did our review.

The 90-10 rule obviously concerns us. We have had a number of cases—investigations—based on schools who are gaming that issue. It is something we are also concerned about.

Mr. PETRI. Thank you.

Chairman MILLER. Mr. Bishop?

Mr. BISHOP OF NEW YORK. Thank you, Mr. Chairman, and thank you for holding this hearing.

And thanks very much to the panel.

I used to administer a college in New York State, and so my experience—New York State is very prescriptive; if you want to have an academic program in New York State you have to register with the State Education Department even if you are a private college, and the State Education Department uses the Carnegie Unit as a measure of an academic credit. I have to say, we found that to be very helpful to have some minimum threshold level that defined a credit, that defined a course, that defined the length of the semester, and so on.

Dr. Manning, you had said in your comments this morning that the definition of the credit hour is deeply understood. You also said that this issue is messy and complex.

So I have two sort of related questions: one, if it is deeply understood what is the harm in citing some minimum level that reflects that deep understanding? And if, in fact, this is messy and complex wouldn't we deal with some of the messiness and complexity if we had some clear minimum definition of what constitutes a credit hour?

So I guess my question is, what is so unhelpful about having a minimum definition, and what about a minimum definition would preclude innovation, would preclude the kinds of new molds of educational delivery we are working towards? And what about a minimum definition would make it more difficult to measure outcomes, which we all agree is where we want to be?

I had a lot of questions. I am sorry.

Ms. MANNING. Yes. Let me try at least to get at most of them.

First of all, I want to just say that in my written testimony I said—I may not have made it clear in the oral testimony—that we do not believe having a definition will cause harm. I think that is the first thing.

When I say it is deeply embedded, we all have lived with the credit hour for all of our working lives. We do find it very useful. It is so deeply embedded in so many different things that higher education does that it is actually hard to conceive how we would manage if we took it out.

So there is no question that it is there and it is understood, and there is no harm in writing it down. There will be costs involved in demonstrating compliance, and I think that is something that is always a question with regard to regulation. And these are tight times, as you know, for everything, including higher education.

Mr. BISHOP OF NEW YORK. May I interrupt you?

Ms. MANNING. Sure.

Mr. BISHOP OF NEW YORK. Would the costs that are involved in demonstrating compliance—would they outstrip the cost that would be involved in demonstrating outcomes?

Ms. MANNING. I don't think they would. Not at all. I think that the—there is a serious cost to demonstrating outcomes, but our belief is that if you don't demonstrate outcomes you don't know what you are doing. That is, it is the Yogi Berra thing, right, if you don't know where you are going you will never know if you got there.

So we require institutions to define objectives for every program. We don't second guess those objectives. We are not program accreditors. We accredit an entire institution.

So the question is, would the messiness and complexity be helped by a definition? The definition gives you a way, gives you a metric. Every institution uses it.

I was really referring to the fact, frankly, that if you go on most campuses—and perhaps the campus that you were on had this same thing—and you ask the scientists about the credits in the humanities they will tell you they are soft because there is no math. And exactly how you distinguish between three credits of chemistry, or how you compare three credits in chemistry and three credits in English is frankly beyond me.

So that is the kind of thing that I meant by messy. You are accrediting a, you know, medical school, you are accrediting fine arts majors—it is a whole wide area.

But again, let me repeat: I do not think the definition of a credit hour will do harm. I just feel that if our primary shared goal is a quality of what is being delivered to students in this country then the credit hour—it won't impede it, but it won't contribute to quality.

Let me add one more thing about why we get so nervous about these kinds of definitions. If you think about 15, 20 years ago, if we had had—at that time if there had been a definition it would not, as the proposed regulations that were published yesterday do, take into account the idea of you making equivalencies based on learning objectives and student outcomes; it would have simply been the Carnegie Hour—3 hours in the class is three units plus 6 hours of homework.

And you know, I don't know how, under those circumstances, we would have developed online learning and taken advantage of the immense opportunity the Internet offers. And I think, frankly, one of our problems right now, though it is not our major problem, is that people tend to conflate online learning with for-profit delivery. Eighty percent of the institutions in this country do a significant amount of online learning; it presents enormous opportunities to people who are place-bound, people who have full-time jobs, and so forth.

And so that is an example, if you do a what if historically, that says to you, "Does having tight minimum standards always work for the greater good?" It wouldn't have. The regulations that have been proposed have more flexibility, and we recognize that.

Mr. BISHOP OF NEW YORK. Okay.

Thank you.

Chairman MILLER. Mr. Polis?

Mr. POLIS. Thank you, Mr. Chair.

Dr. McComis, thank you for sharing with us the policies and practices of the Accrediting Commission of Career Schools and Colleges. In your testimony you expressed concern about federal regu-

lations potentially exacerbating the difficulty that students attending our schools—your schools—already have in the area of transfer of credit. I found this to already be a big problem for many students in my state who thought they could transfer to a public or nonprofit college or university after attending a for-profit school but then later found out that the credits that they had earned were not recognized or accepted.

On your Web site of your organization you describe how the need for greater portability of educational credits has reached a critical point and that your efforts continue to increase the options that are made available to students and graduates, from your institutions who are interested in continuing their education. So really, it seems to me that defining a credit hour and establishing procedures for accrediting agencies to determine whether an institution's assignment of credit hours is acceptable would help expand credit portability. What are your thoughts on that?

Mr. McCOMIS. Well, as I indicated earlier, I think that once you have the definition there it becomes the definition, and we don't currently use the Carnegie method; we use the clock hour to credit hour conversion method. And so it does not take into account outside preparation.

So once the federal government defines what a credit hour is as the Carnegie Unit, if you are not using that that is another opportunity and excuse for an institution to say, "Your credits are not transferrable," even though the content is—can be completely comparable, maybe even more rigorous. There is just that opportunity for that to occur.

So, as Ms. Manning has indicated, we don't object to, necessarily, a regulation, but that a great flexibility within that regulation that maybe provides criteria for what a credit hour is as opposed to 1 hour and 2 hours, as the Carnegie Unit puts forth—or maybe some other option that would allow for comparable credit hour conversions.

Mr. POLIS. You know, there is a recent article in the Chronicle of the Higher Education, May 27th, and the president of the Career College Association, which represents most of the schools that you accredit, was quoted saying that the inspector general's report was "silly." I would like to solicit your opinion with regard to whether you agree with that characterization of the report that our committee is holding a hearing on today.

Mr. McCOMIS. Well, I don't agree with that characterization. I think that all the work that the I.G. has done in this area has been extremely important, and our agency has benefited from it as well. We underwent an I.G. investigation in 2002 relative to program length; they made some excellent recommendations and we followed up on many of them, and I think strengthened our process.

Mr. POLIS. Do you find it troublesome that the president of the association representing most of the schools you accredit would consider this report, which you believe is a serious component contributing to quality—do you find that troublesome that the president found that to be silly?

Mr. McCOMIS. I don't know the context within which that statement was made, so I really couldn't comment as to it.

Mr. POLIS. You say you also want the department to refrain from overly-prescriptive requirements so they don't stifle flexibility and innovation, and I think we all share that same concern. But I also think we agree that protecting the integrity of federal financial aid programs from inflated credit hours, improper designation of full-time student status, et cetera, are also of paramount importance not only to taxpayers but to the kids themselves. How do you recommend that the proposed rules can balance those two goals?

Mr. McCOMIS. So, I think one of the things that the I.G.'s report did was certainly to bring to light that there may be some competence issues with the way in which accreditation might evaluate program length and credit hour definitions. I think, largely, that accreditors do that very well, and the one case that has been cited, I think, may not be representative across the board.

So, you know, looking at opportunities, again, multilayered reliance upon accreditation to work with their institutions to define the best opportunities for their students is really important—again, not against a regulation, but looking for that regulation to be stated in such a way that provides for potentially even the unknowns in program design and development as they will occur over the coming years, as Ms. Manning has already testified.

Mr. POLIS. Well, thank you.

And I yield back.

Chairman MILLER. Mrs. McCarthy?

Mrs. MCCARTHY. Thank you, Mr. Chairman, and I appreciate the hearing. I think it has probably been very educational for all of us. But I think one of the things that we are looking at—not only looking at the credit, but I think that the larger amount is, how do we measure the quality of the education that we are looking at when the students graduate?

So I guess that I will ask Mr. McComis on what improvements do you think should be made to the accreditation process for proposing that they are carrying over a reliable measure of institutional quality for the purpose of awarding of Title IV funding?

And, Dr. Manning, you know, in your testimony several times you had mentioned that you do think that the department proposal rule on a credit hour will lead us to the higher quality which we all seek in higher education, so what I am looking for is what is the recommendation of how do we get to finding out how we get the higher quality of education and how do we find that with the students that are graduating?

Mr. McCOMIS. Yes, ma'am. I will go first.

So, recently our agency has sought to work on that question, and we have developed a number of student learning assessment and outcome standards that we have put into place as of last year that really focus on a process of assessment, that really look to the institution being able to demonstrate—not necessarily through quantitative measures—but being able to demonstrate what is the process that they use to determine that a student has acquired the necessary skills and competencies and knowledge at a level that would provide the institution with an opportunity to award that student with a credential.

How did that student, in the vocational and career-oriented areas—how did you make a determination that that student is

competent to go out and be a nurse, or a truck driver, or a technician? What were the tools that you used? What were the rubrics that you used? What were the tests that you used? What determinations did you come to through that process?

That, coupled with our graduation and employment rates, make for this—and also the use of external program advisory committees made up of the employment community—provide us with this multilayered approach, and those are the approaches that I think will lead us down to a path of greater confidence in the quality of those programs.

Mrs. MCCARTHY. Just quickly, too, don't the states, especially with the courses that we are talking about, whether it is nursing, truck driving, they either get certified or they have to take a state license test? I mean, isn't that also a quantity of proof?

Mr. MCCOMIS. Yes, ma'am, it could be. It is one of several indices that an institution could use to demonstrate student learning.

Mrs. MCCARTHY. Dr. Manning?

Ms. MANNING. Thank you. I think that to get at the quality—and again, I want to make sure we have said this—we actually do use credit hours, but what we don't use is a strict definition, and part of this has to do with the fact that we believe people know what credit hours are, at least the evaluators that we use.

But to get at what I believe is your question about how are we going to improve and how are we going to assure that we get higher quality, I think assessment is the key to it, and I think that the assessment is best carried on at the institutional level because it needs to be relative to what the institution is teaching. And remember that the institutions we accredit are often very complicated; they will often have a couple of hundred programs, not a program, and programs that are very different from each other.

What we need to do—and we have been working on doing this for about 20 years—is to hold the institutions accountable for having assessment measures appropriate to each and every one of their programs based on program objectives. And then—and this is the part that is the next challenge—we have actually gotten institutions to be pretty good about assessment.

There is something in the businesses called “closing the loop,” and that means when you assess and you discover that you are not getting the results you want what do you do about it and what changes do you make in how you teach, how you run your program, what your curriculum is, to improve those results?

And we encourage the use of multiple indicators so that in professional fields, for example, when there are licensure exams, that is something that should be taken into account. When these are undergraduate programs and students are seeking to go on to graduate work the success rate should be taken into account.

And so I think that pressure for more assessment and for more transparency about the outcomes of student learning is something that should be sustained.

Mrs. MCCARTHY. Thank you.

I yield back.

Chairman MILLER. Ms. Hirono?

Ms. HIRONO. This is pretty interesting. You know, I think that when we talk about accrediting I am looking for objective measures

because how can you measure what the value of a liberal arts education is versus all those other professions, such as law, medicine, engineering, nursing, where licensure is one way that you can objectively determine whether or not the quality has been there. So at the least I would—I think it makes sense that we have some sort of minimal national objective definition.

And I don't think, Ms. Manning, you are objecting to that. How we are going to get to the quality issues where—on things like English, literature, I don't know, and I kind of go with what you just described, that the institutions should be encouraged to develop those kinds of assessment tools.

Let's face it, by the time we get to higher education I think that so many of our colleges and universities—the quality issue is one that is based on their reputation and any number of factors that are very difficult to measure. So based on what I am—I am sorry I was late for this hearing, but it seems to me that we are going in the right direction with what the inspector general is proposing.

If anybody has any further comments?

Ms. MANNING. I could respond to that a bit with particularly your concern about how do you measure liberal arts education, for example, also because I am a liberal arts educator so it hits right home to what I do. And I just wanted to offer you something that might give you a little optimism about how we can be working on this.

It is not coming out of the accrediting community. The leadership on this project is coming out of the American Association of Colleges and Universities where they have been working to create rubrics in which—under which it is possible to assess the outcomes not of English versus history, but the outcomes of a liberal arts education, and not just a liberal arts education, but liberal education for all students, because we believe that the outcomes, the goals of liberal education are important for engineers and doctors just as they are for people who go on to become English professors.

And so that work is progressing and it is something that is being—the outcome, the results of that work are being adapted by more and more colleges and universities across the country. And so I think you will see a kind of more articulated consensus, and therefore a basis on which to benchmark what students learn even in the liberal learning part of their education.

Ms. HIRONO. Well, could you give me an example of what would be a measurable outcome for the value of a liberal arts education? I am not quite understanding—

Ms. MANNING. Oh, you look at the large questions about what is it—you know, why is it a good thing to major in English, or major in history, or in philosophy? And what we say is, it is not because the country needs a whole number of people who have read Shakespeare; it needs a number of people who can think critically, who can read at a high level, who can solve problems, who can work together in teams, who can have a global perspective, which is something we need in our—

Chairman MILLER. Keep going. I love this definition of a liberal arts graduate.

Ms. MANNING. No, I am going to stop. [Laughter.]

Chairman MILLER. Makes me feel so good.

Excuse me, Ms. Hirono.

Ms. HIRONO. Okay. Thank you very much.

Thank you, Mr. Chairman.

Mr. MCCOMIS. I would just add, if I could, I think your question actually goes to the issue of the difference amongst accreditors and the difference amongst the institutions that they accredit and the importance of those agencies being able to work with their institutions. My agency doesn't deal with liberal arts; we are very career-oriented, so it is—we can have different kinds of standards because of that, and we do.

And so I wouldn't suggest that every institution would be able to meet our standards that offer those liberal arts educations. I think that would be very difficult for some of them to do. So again, just an important distinction about the importance of accreditors being able to work with their institution to define those outcomes.

Ms. HIRONO. I agree, because some institutions, as you say, you know, graduates of your institutions, there are measurable—objectively measurable—standards that you can apply. Not so much in the liberal arts side, although I am glad to know that there are developing measures there, too. But I think that that should be—I tend to go with what Ms. Manning is saying, that it is the institutions that should develop those and not some federal requirement or standard.

Thank you.

Chairman MILLER. Thank you.

We are almost done here. Earlier, in my opening questions, I raised the question, what is the impact of an invested business plan and the needs of some for-profit institutions. And in reading from the alert memorandum, when the discussion was that the difference between AIU's credit policy at that time—not today, at that time—and the common practice of higher education, the difference was—where they stated it was egregious. I go on to read to say that it essentially permits an undergraduate degree completion student to get a bachelor's degree or an associate degree plus 1 year of full-time equivalent study, not 2. This calls into question the integrity of AIU degree and must therefore rectify quickly if AIU is to retain an accredited status.

And reading from the memorandum in the next paragraph, "The implication of this analysis is far-reaching for AIU, affecting degree requirements, faculty requirements, and financial aid policies. The current policy of awarding a bachelor's degree for an associate plus 10 nine-credit courses seems actually the equivalent of an associate plus 30 semester hours, so the current degree is the equivalent of an associate plus 1 year of full-time study, not 2. The team viewed this as a matter affecting the integrity of AIU. If the credits were to be properly calibrated, students who evaluate AIU's value proposition in terms of cost of degree, time to degree, may see that the cost and time double. If AIU cannot raise the cost of degree without losing too many students and if 90 quarter units requires 20 courses, not 10, then the number of faculty needed to serve the existing level of student enrollment would double, increasing the instructional cost above the current 12 percent of revenues."

Next paragraph: "Unless students are willing to pay more for their degrees the net effect would be to raise the percentage of rev-

enue spent on instruction toward a figure that is more typical of the online universities represented on this team.”

Next paragraph: “The recalibration of credit awards might also affect the meaning of a full-time student eligibility for federal student loan aid. AIU has been requiring all upper-division students to be full-time, meaning that they take nine credit units per 5-week session. This policy may need to be reconsidered, permitting students to study part-time.”

And then it says, “The team provided further support of detail support of its finding.” This paragraph starts, “The current practice of AIU students to take nine credit courses every 5 weeks thus, in a 15-week period comparable to a semester in other universities, the AIU student would take 27 credits, comparable to 18 semester hours or six three-semester hour courses.”

This would be an overload for a full-time student at a university on the semester system, given that the typical AIU student is also working full-time and may be—and have family obligations, or want to “have a life,” in addition to their studies. It is doubtful that the AIU student could hold down the equivalent of six semester courses on top of this.

The footnote that refers back to the question of unless students are willing to pay more for their degrees the net effect would be to raise the percentage of revenue spent on instruction more typical of the online universities represented—I assume that means the members of the team, that some of them were from online universities.

The footnote says, “The team found that according to CEC’s 2007 financial statements that the profit of the Career College Corporation attributed to AIU was in excess of \$40 million. The team stated that AIU’s expenditures on instruction, as a percentage of revenue, is low by comparison to other proprietary institutions familiar with—familiar to the team and that it is likely to be related to the issue of credit equivalency.”

There you see how this is woven in and out, how these determinations are made. I don’t pretend to know the answer to this, but I don’t think that we can ignore that this is an overlay on what—as much as we talk about the Carnegie Hours changing, and looking at outcomes and equivalencies, as even the department has just done with this proposed rule, what has also changed is that now institutions have requirements to shareholders, to profit margins, to the stock market, and to others. And I think you heard from the range of questions here that this is a matter of serious concern.

We have votes—I wanted to get back to Mr. McComis on how they sort of accredited, and I recognize the different institutions—you do not do liberal arts, but you do have certain minimums, and I was sort of interested in whether that—but I am not going to ask you to answer whether you sense that that is a race to the bottom, as perhaps was suggested if you did it across the board, that that might be the case.

But I am also concerned about the discussion that went back and forth between Ms. Manning and the inspector general. And I think it is a very legitimate discussion, this question of if you are not going to have input requirements—seat hours, I guess that is what

that was—and minimums, and we are transitioning to outcomes as another measurement but we don't have any minimums in outcomes. How is Congress to know whether or not we, as stewards of the taxpayers' money, are in fact purchasing value for people who are hungry for the education, the knowledge, the skills that it brings to them?

But I think maybe—I don't know know whether we will do that in the hearing or whether we will do that in the committee briefing where we might ask you to come back, and some others from the community, to have that discussion, because I think it is important because we see even again, from the proposed rule, that a transition is taking place here, but we have this huge overlay of this \$100 billion that is out there on the street.

I want to thank you very, very much for your time. I didn't want this to go into a back and forth about this. I think that this particular case raises a whole series of issues that we have had a very difficult time trying to even articulate in the congressional setting.

I don't think any of you were set out to do that, but I think that is how I view both the work of the accrediting agency, of the I.G., of the institution's response, and I just want to thank you for your participation and your expertise. And we will be following up with you again, if you don't mind.

Thank you very much.

And with that, the committee will stand adjourned and Ms. Hirono and I will see if we can beat—well, we only have to beat 100 of our colleagues to the floor.

Thank you very much.

[Whereupon, at 11:49 a.m., the committee was adjourned.]

